REDACTED

Request IR-170:

With respect to the Company's response to Liberty IR-2, please explain how the [redacted] per barrel spread charged [redacted] relates to the [redacted] per barrel spread identified in the first bullet under (a-b).

(a) Do the two adjustments add?

(b) What is the added value that each adjustment pays for?

Response IR-170:

The [redacted] per barrel is the premium [redacted] charges on the physical barrel above the index price. The [redacted] per barrel spread relates to the offer spread on the financial swaps to hedge the product.

(a) The two adjustments do add.

(b) The [redacted] adjustment enables NSPI to access small, variable volumes of HFO on an as required, no obligation, basis. The [redacted] is a forecast of where counterparties are trading the financial swap. The quoted market price is the mid-market. Buyers pay the offer side and sellers receive the bid side of the market. This number forecasts what the offer side (since NSPI is a buyer) of the market would pay to acquire the swap.

REDACTED

Request IR-171:

With respect to the Company's response to Liberty IR-9,

(a) Has the Company discussed with the National Energy Board of Canada its lack of access to LNG imported into Canaport?

(b) If so, please provide details of those discussions.

(c) If not, why not?

Response IR-171:

The response to this request is confidential.

REDACTED

Request IR-172:

With respect to the Company's response to Liberty IR-9,

(a) Does [redacted] use short-term export licenses to export regasified LNG to the U. S.?

(b) How much regasified LNG has it exported in this way since LNG imports into Canaport began? (Please provide volumes by month.)

(c) Has the Company considered protesting continuation of those short-term licenses?

(d) If so, what were the results of those considerations?

(e) If not, why not?

Response IR-172:

(a-e) No. On September 4, 2008 the National Energy Board (NEB) issued Reasons for Decision GH-1-2008 granting [redacted] a Long term export license for re-gasified LNG. The decision can be accessed at the following link: https://www.neb-one.gc.ca/ll-eng/livelink.exe?func=ll&objId=529943&objAction=browse.

Although Repsol can import LNG under a short-term license, as indicated in the Company's response to Liberty IR-9, they can only export regasified LNG under a Long-term license.

NON-CONFIDENTIAL

Request IR-173:

With respect to the Company's response to Liberty IR-102,

(a) Please describe the professional qualifications of the person who prepared the extrapolation in 102(b).

(b) Was anyone with petroleum reservoir engineering expertise consulted about the extrapolation shown in 102(b)?

(c) If so, whom?

(d) If not, why not?

Response IR-173:

(a-d) The direct evidence referenced in Liberty IR-102 states that "Production from the Sable Offshore Energy Project (SOEP) continues to decline." The NEB report referred to in Liberty IR-102(a) uses a 2 percent decline rate/month. Should this decline rate continue, it would result in SOEP production being near zero sometime in mid-2016. The extrapolation done in Liberty IR-102(b) uses linear regression to extrapolate the historical decline in SOEP production into the future, and it results in the same approximate timeline.

The response to Liberty IR-102 indicates the basis for the statement that "Production from the Sable Offshore Energy Project (SOEP) continues to decline" was based on the NEB report and the declining trend in production. NSPI did not intend to infer that its forward-looking projections were based on consultations with petroleum reservoir engineers as no such consultations have taken place.

NON-CONFIDENTIAL

Request IR-174:

With respect to GRA Exhibits DE-03 and -04, pp. 15-16, regarding the Company's proposal to recover Point Tupper depreciation, financing and OM&G costs through the fixed-rate component of base rates, please describe the adjustments made to Exhibits OE-01A, Attachment 1, pages 3 and 9, to effect this change. (Page 3 gives costs for purchased power, and page 9 gives production by individual IPP-owned projects. Page 9 has a line for production from Point Tupper 1 and Point Tupper 3.)

Response IR-174:

These costs were not included in Total Fuel and Purchased Power for 2012 and therefore, are not included in OE-01A Attachment 1. No adjustments have been made related to costs prior to 2012.

CONFIDENTIAL (Attachment Only)

Request IR-175:

Following up on the Company's response to Liberty IR-96, please provide the same information for as many months of 2011 as are available.

Response IR-175:

Please refer to Confidential Attachment 1, filed electronically.

NON-CONFIDENTIAL

Request IR-176:

Following up on the Company's response to Liberty IR-96 and the previous IR, please provide :

(a) **NEPOOL forward prices, peak and off-peak, for each month of 2009, as those prices were observed on (or about) December 31, 2007**

(b) **NEPOOL forward prices, peak and off-peak, for each month of 2010, as those prices were observed on (or about) December 31, 2008**

(c) **NEPOOL forward prices, peak and off-peak, for each month of 2011, as those prices were observed on (or about) December 31, 2009**

(d) **For each month in each of the three years in parts (a), (b) and (c), adjust those NEPOOL prices to the Nova Scotia import interface using the adjustment factors (exit fees, on-peak transmission, off-peak transmission, etc.) that were in effect in each of those months. Those adjustments should yield adjusted peak and off-peak NEPOOL prices at the Nova Scotia import interface for each month of 2009, 2010 and 2011.**

Response IR-176:

Please refer to FAM Data Room confidential binder GE0014, section 'Liberty IR-176', available for viewing at NSPI offices.

REDACTED

Request IR-177:

Please justify the decision made on February 25, 2011 to purchase [redacted] MT of [redacted] coal from [redacted] for 2012 delivery. Please address each of the following factors, and include Excel evaluation spreadsheets as appropriate:

(a) **[redacted] ranked #17 in the evaluation; therefore please explain why each of the other 16 bids was not accepted.**

(b) **Why the [redacted] bid was not considered in any of the eight Recommendations by EVA; why [redacted] was selected over each of the eight EVA recommendations.**

(c) **Where the [redacted]/MT FOB approved price comes from, when it does not appear on the evaluation spreadsheet.**

(d) **The NSPI recommendation states that [redacted] was the lowest price of the offers for five high-btu coals from [redacted], but the spreadsheet does not show this to be true. Please show how [redacted] is the lowest price for each of these five suppliers, and if not the lowest price, why it was selected in preference to any of the other four suppliers.**

(e) **Please explain why EVA evaluation criteria seems to be different than criteria for the Company, especially since [redacted] was not mentioned in any of the eight recommendations from EVA.**

(f) **Justify using EVA, in view of "e" immediately above.**

REDACTED

(g) Explain why EVA is not given the Company's procurement strategy, in advance of decision-making, as a means of having the EVA analysis validate the Company's eventual decision.

Response IR-177:

(a) The [redacted] bid is the second last of 18 bids entered into the spreadsheet for 2012 and is shown as bid 17 in the spreadsheet header 'Supplier'. The [redacted] bid ranks #2 overall when compared to all coal bids received, as shown in the in the yellow highlighted section 'Rank', and ranks #1 of the high Btu coal bids received.

(b) The [redacted] bid selection is consistent with EVA Recommendations 5 and 4, which respectively recommend keeping our 2012 inventory replenished with a low sulphur, high Btu supply, and, to have that supply available for winter 2012. Following receipt of EVA's recommendations, NSPI continued working with [redacted] for a 2012 delivery schedule and competitive pricing for high Btu winter supply, which would not add to 2011 inventory. NSPI was [redacted]. The NSPI Recommendation was reviewed with EVA for second opinion in advance of decision approval on February 25, 2011.

(c) The price of [redacted], is shown in the bid evaluation spreadsheet in Section 'FOB Pricing', in the '[redacted]' column.

(d) The spreadsheet shows the fully evaluated prices including credit for Btu content, in the yellow highlighted section 'Rank'. The five prices for the High btu bids range from a high [redacted], to a low [redacted].

REDACTED

(e-f) Please refer to part (b).

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Request IR-178:

With respect to the response to Liberty IR 136, please:

(a) describe all reasons why more recent weather experience, while relevant to assessing vegetation management and storm costs is not equally relevant to forecasting hydro generation,

(b) explain what connection exists between weather and hydro generation,

(c) explain why NSPI chose not to determine whether recent weather information should call for an adjustment (or at least a comparison) to the period used for forecasting hydro generation,

(d) forecast hydro generation using the same time frames used to forecast vegetation management and storm costs, and

(e) provide the differences in expected fuel and energy costs resulting from the response to part (c) of this request.

Response IR-178:

(a-e) Hydro generation is forecast in compliance with the FAM POA methodology, Appendix B. To do anything other than use the long term average would not be compliant with prior UARB decisions in respect of this matter, including most recently the Board's approval of the FAM POA methodology. The FAM POA methodology was collaboratively developed among NSPI, various FAM intervenors, and UARB consultants (Liberty Consulting Group). The FAM Small Working Group has provided a useful avenue for discussion among these and other parties about possible review and revisions to the Fuel Forecasting methodology and other matters relating to fuel procurement by NSPI on behalf of customers. The subject matter of this request has not been raised in the FAM Small Working Group, nor otherwise with NSPI.

Request IR-179:

Please:

(a) explain in detail how NSPI analyzed the interdependencies among increased vegetation management activities and costs, increased storm response costs, and costs required to respond to non-storm related outages,

(b) provide any pre-existing calculations of the offsets to storm-response and non-storm response resulting from increased vegetation management activities and costs, and

(c) if there are no pre-existing calculations, provide and support any calculation NSPI is prepared to make now.

Response IR-179:

(a-c) NSPIs increased investments in vegetation management, including those sought in this rate application, are part of a five year plan to improve reliability, including during severe weather events. NSPI responds to storms based on its Emergency Service Restoration Plan (ESRP), and this application seeks to include in rates a more accurate cost of this response.

NSPI expects that its vegetation management, and its other investments to improve reliability, will reduce the number of outages experienced by customers, storm and non-storm related, from what they otherwise would be. Although there will be significant variability due to the actual weather experienced in any single year, over time NSPI expects this result to be seen as an improving trend. This is one reason NSPI has organized this work as a five year plan.

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With respect to the test year 2012, NSPI believes both the vegetation management and storm response amounts should appropriately be included in rates, and that it is too early to attempt to model the referenced interdependencies. NSPIs approach is that to the extent that there are savings (eg; vegetation management results in less storm or non-storm related outages), then such savings can be used to advance other reliability work. NSPI is also conscious of the fact that the current trend is to worse weather, and our customers' reliance on electricity and expectations for reliability continue to increase.

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Request IR-180:

With respect to the Response to Liberty IR 138(b), we have found it customary in our experience for new position creation to be accompanied by documented justification of the need for the position, any positions eliminated or vacancies to be left unfilled, etc.; please:

(a) state whether this is the case for NSPI,

(b) if so, please provide the documentation for the positions in question, and

(c) please provide any documentation that would identify whether the creation of these positions was accompanied by reductions in other positions or in vacancies in other positions.

Response IR-180:

(a) NSPI also has a process that requires documented justification for the addition of new positions. This document is in the form of a Request to Hire and a documented business case.

(b) Prior to April 2011, NSPI had a Document Retention Policy which stated that Request to Hire Forms and Justifications were to be maintained on file for 6 months only. As a result, there is no documentation available justifying the addition of these new positions dated July, 2009 and July, 2010.

(c) The four positions in question are all new positions and therefore there was no reduction to offset these positions.

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Request IR-181:

With respect to the response to Liberty IR 140, please provide:

(a) what economic analysis is required of the economics of in-house versus affiliate contractor work,

(b) all documents that impose such requirements,

(c) all such analyses performed from January 1, 2010 to date,

(d) all one-to-one comparisons (on whatever basis performed) of costs of work by internal resources versus the affiliate contractor covering any period from January 1, 2009 through the present, and

(e) any pre-existing analyses of overall savings achieved by use of the affiliate contractor covering any portion of the period from January 2009 to present.

Response IR-181:

(a-b) The Affiliate Code of Conduct (the Code) governs NSPI's affiliate transactions. (Please refer to Attachment 1.) Section 1.1 of the Code states the primary purpose of the Code: to establish a demonstrable benefit to NSPI customers when transacting with an affiliate. Moreover, Section 2.1 (a) of the Code provides that affiliate transactions must be compared to self-provisioning by NSPI.

In the interest of providing a demonstrable benefit and delivering services to customers in the most cost-effective manner possible, NSPI carefully evaluates the economics of using internal resources to build, operate and maintain NSPI's equipment and infrastructure versus using external contactors. In some cases, this takes the form of a self-provisioning analysis. In the case of a competitive bidding or tendering process, during the course of the bid evaluation process, all bids, including an affiliate's, are rigorously evaluated on their own merits, and then compared to the costs of NSPI to self-provision the same.

(c) Two self-provisioning analyses were completed for affiliate transactions from January 1, 2009, to date for PLT services and Transformer services. A white paper was developed prior to the PLT self-provisioning analysis discussing the economics of outsourcing that work, and served as a basis for the PLT self-provisioning analysis. RFPs were conducted for the PLT services and Transformer services contracts, with subsequent written recommendations. Please refer to Confidential Attachments 2-5 for these documents.

(d) A review was conducted on behalf of the Utility and Review Board (UARB) in 2010-11 regarding the PLT services contract and corresponding self-provisioning analysis; the final report of that review was submitted to the UARB in 2011.

The nature of contracting work to an external service provider is such that a direct comparison of individual elements of work is not an appropriate means to determine the overall economic impact of the contract. There are many advantages to making use of contractors, such as specialized equipment or training not possessed by NSPI, variability in workload that cannot effectively be mitigated if internal resources are used, and economies of scale not available to NSPI. Comparing individual units of work on a one-to-one basis, such as comparing the cost of upgrading an individual computer server using internal resources versus our IT contractor, or NSPI crews conducting one tree trimming job versus one of the vegetation management contractors, or internal PLTs building one specific distribution line versus our PLT services contractor, ignores the overall economics of accomplishing the total workload using internal or external resources or a mix of both. Using the aggregate of the total work is the only way to appropriately evaluate the economics of outsourcing versus insourcing options, as was done in the self-provisioning analyses previously discussed.

(e) NSPI has no such analysis.

RAM

NSPI REVISED CODE of CONDUCT governing Affiliate Transactions

1.0 PURPOSE

1.1 The primary purpose of this Code of Conduct is to ensure that all transactions Nova Scotia Power Inc. (NSPI) enters into with affiliates[1] are designed and carried out in a manner reasonably expected to produce demonstrable benefit to NSPI customers, when compared with all other available options.

2.0 STATEMENT OF PRINCIPLES

2.1 NSPI will precede any transaction by which it acquires from or provides to an affiliate any goods, services, leases, asset transfers, or other exchanges of value, with a sound, objective, and transparent process and reasonable documentation;

(a) The process and documentation shall identify and then compare transacting with an affiliate to: (i) provisioning through other, reasonably available commercial alternatives, (ii) self-provisioning by NSPI, (iii) joint NSPI/third-party provisioning, (iv) joint NSPI/affiliate provisioning, and (v) such other arrangements as may be reasonably available under the applicable circumstances at the time of the decision.

(b) For transactions below $125,000 in aggregate value (determined by adding together all similar transactions with the same affiliate during any consecutive 12-month period), the comparison of alternatives and documentation may be abbreviated as appropriate to avoid adding materially to the cost of the transaction, provided that NSPI provides sufficient documentation to demonstrate that the transaction complies with the demonstrable benefits standard of Section 1.1 of this Code and that NSPI's actions to meet that standard preceded the decision to transact with an affiliate.

2.2 NSPI will only enter into affiliate transactions when doing so has been demonstrated through sound, documented analysis to be the best available option for NSPI's customers at the time.

2.3 NSPI's customers will not otherwise bear the risks or share the rewards of an affiliate's activities.

2.4 Competition in markets where NSPI's affiliates are active will not be impaired by nonmarket behavior by NSPI.

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[1] For the purpose of this Code of Conduct, the term "affiliate" shall be interpreted in accordance with Sections 2(2), 2(3), and 2(4) of the Nova Scotia Companies Act.

3.0 CORPORATE STRUCTURE

Objectives

To separate regulated electric and other utility services[2] from affiliate activities.

Protocols

3.1 EMERA, the parent company of NSPI, will create and maintain a corporate organizational structure which ensures that regulated electric and other utility services are provided solely by NSPI and by no other affiliate.

3.2 NSPI will maintain a complete list of all of its affiliates. The list will include the name and address of each affiliate, a brief description of its activities and the names, addresses and telephone numbers of all of its officers. The list will be kept on open file with the Nova Scotia Utility and Review Board (Board).

4.0 UTILITY MANAGEMENT

Objectives

To dedicate to the provision of regulated services, in terms of quality and numbers, a management team capable of maintaining a superior level of performance, at the same time as NSPI affiliates are expanding into other business activities.

Protocols

4.1 NSPI will maintain a management team capable of delivering a superior level of performance.

4.2 NSPI will prepare and submit to the Board an annual report which summarizes utility performance. The report format, and contents thereof, shall be agreed upon in advance between NSPI and the Board.

5.0 UTILITY FINANCING

Objectives

To maintain a capital structure for NSPI which is in accordance with applicable Board decisions.

Protocols

5.1 NSPI's capital structure will reflect the Board approved capital structure.

5.2 NSPI's capital structure will not be used to subsidize affiliate activities. Affiliate risks or losses will not be borne by NSPI's customers.

[2] Regulated electric and other utility services are those covered by the Public Utilities Act.

5.3 NSPI shall not, without the prior approval of the Board, provide loans to, guarantee the indebtedness of, or invest in securities of an affiliate.

6.0 FAIR DEALING

Objectives

To avoid discrimination in the matter of pricing or in any other manner against non-affiliated buyers of regulated electric utility services.

To avoid subsidy by NSPI of the costs, revenues, or activities of affiliates.

Protocols

6.1 NSPI will provide access to regulated utility services on a non-discriminatory basis and will not in respect of those utility services directly or indirectly state, imply or offer any preference or favored treatment to NSPI's affiliates or persons purchasing affiliate goods and services.

6.2 The financial records of NSPI, as well as NSPI's information systems, will be kept separate from those of its affiliates.

6.3 NSPI will not provide confidential customer information to affiliates or other persons without prior customer consent.

6.4 NSPI will provide customer information to NSPI affiliates and non-affiliates in a nondiscriminatory manner.

6.5 NSPI will charge Board approved rates for all regulated electric and other utility services provided to affiliates.

6.6 NSPI will charge and be charged a market rate of return for any assistance it provides to or receives from affiliates by way of a guarantee or loan.

6.7 NSPI will charge and be charged prices which reflect fair market value (FMV) for all nonregulated utility goods, services, leases, asset transfers, or other exchanges of value provided to or from affiliates, provided that in all cases NSPI shall charge for such goods and services no less than its fully allocated costs.

6.8 NSPI shall determine and document all FMV prices through the use, where practicable, of competitive tendering or quotes; otherwise NSPI shall use the most direct alternative means of establishing FMV pricing, including without limitation bench marking studies, catalog pricing or recent market transactions.

6.9 Where prices based on FMV cannot be determined through reasonably direct and substantially supported means, NSPI will document the inability to make such determination, and will charge to its affiliates prices that reflect the utility's fully-allocated costs for the goods and services provided.

6.10 Where a capital asset is transferred from NSPI to an affiliate or from an affiliate to NSPI, that asset will be transferred at a price to be approved by the Board in advance.

6.11 The costs of corporate support services[3] will be fairly allocated between NSPI and its affiliates. The allocation factor employed will depend on the nature of the corporate support services.

6.12 NSPI shall make no changes in responsibility for the performance of any services regularly provided for or by any affiliate (including but not limited to corporate support services), absent a prior analysis demonstrating that such change is the best available option for NSPI customers.

7.0 DEMONSTRATING CODE COMPLIANCE

Objectives

To separately and fully account for the value of goods, services, financial and other support delivered to or from NSPI and its affiliates.

Protocols

7.1 NSPI shall report annually to the Board the following information:

(a) A detailed listing of all assets, services and products provided to and from NSPI and each of its affiliated companies.

(b) Each item on the listing should indicate the price received or paid and, as appropriate, the relevant fully allocated costs or market values.

(c) Where fair market value is used, an explanation should be provided as to how the value was determined, including the comparative source for the value.

(d) Where cost allocations are involved, a description of the cost allocators and methods used to make the allocations should be included.

(e) A summary of corporate services and the methodology for ensuring fair allocations of these costs.

7.2 NSPI shall be subject to such audits of affiliate transactions from time to time as the Board determines to be appropriate.

7.3 All newly entered, renewed, extended, or otherwise altered or amended NSPI agreements with an affiliate (excepting those energy transactions addressed by the agreement between NSPI and Board Counsel as recorded in 2007 NSUARB 174, at para. 42) will

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[3] Corporate support services are those Management and Administrative services which are provided to affiliates by NSPI. Examples include Board of Directors' costs. Public and Regulatory Affairs, Finance and Administration, Corporate Services, Legal, Human Resources and Information Technology.

contain provisions sufficient to require and assure that the affiliate will make available all of its books and records (notwithstanding any agreement the affiliate has with any third party) as may in the judgement of the Board be necessary to: (a) examine the market competitiveness of the terms and conditions of such affiliate agreement with reference to any similar agreements the affiliate has with third parties, or (b) verify that agreements between the affiliate and NSPI are independent of and in no way linked to agreements between the affiliate and third parties in a manner that causes financial or other harm or loss to NSPI. Moreover, if executed by NSPI no such commitment shall be considered binding, or effective in the absence of such provisions.

7.4 NSPI shall submit to the Board annually, all internal Code of Conduct implementation guidance along with a summary of significant interpretations or judgements made by NSPI related to the Code during the year.

7.5 In order to monitor compliance, the Board at any time may review the records of NSPI and the records of NSPI affiliates as the Board deems required in assuring compliance with any provisions of this Code and with the duty to deal at arm's-length with affiliates.

7.6 NSPI will take the following actions to establish that each transaction with an affiliate is demonstrably the best option from among those reasonably available at the time for its customers.

(a) Where NSPI decides to transact with an affiliate, it shall document, contemporaneously with the time of the decision, efforts undertaken to identify commercially available alternatives, the alternatives identified, and a description of the basis for its decision to transact with an affiliate.

(b) This documentation shall contain a summary table or narrative that identifies all alternatives considered, lists each criterion considered material in deciding with whom to transact, compares each alternative under each such criterion, and explains the reasons for selecting an affiliate.

(c) NSPI's documentation shall contain summaries of all verbal communications substantially affecting its decision to transact with an affiliate, which summaries shall be prepared by an identified NSPI participant as soon as practicable following such communication.

(d) The documentation required to be maintained regarding affiliate transactions shall be prepared by or under the direction of an NSPI manager responsible for the costs that the transaction will cause NSPI to incur, and shall be accompanied, in all cases where transactions individually or in aggregate over any consecutive 12-month period exceed $125,000, by an NSPI officer's level signifying the officer's review and approval of transaction decisions made and the sufficiency of the data gathering and analysis underlying them.

(e) To the extent that emergency circumstances require the waiver or delay in performing or documenting any normal step in the data gathering, analysis, and decision process, those circumstances shall be described in a document that shall be accompanied by a responsible NSPI officer's signature signifying the officer's verification that conditions were sufficient to warrant the suspension of normal steps or delay in documenting them.

7.7 Additional requirements shall apply to all "Large Transactions" with affiliates, which consist of those that meet the following criteria:

(a) One-time transactions with a value of$500,000 or more;

(b) Periodic, related transactions reasonably expected to reach in aggregate $750,000 or more in any consecutive 12-month period;

(c) Transactions with: (a) a duration of 24 months or greater, taken alone or in combination with related transactions, and (b) with a value of $250,000 or more.

(d) Loans or assignments of personnel between NSPI and an affiliate and involving work in more than 6 months of any consecutive 12-month period, or where costs of all employees involved in related activities or projects are reasonably expected to exceed $500,000.

7.8 NSPI shall for Large Transactions:

(a) Prepare an analysis of the costs of self-provisioning by NSPI, which shall specifically identify and exclude fixed NSPI costs *(i.e.,* those that NSPI will continue to bear during the term of the agreement).

(b) Prepare a description of any solicitations of terms and conditions from third-party suppliers.

(c) Prepare a documented analysis that: (i) identifies the potential third-party suppliers from whom interest was solicited, (ii) the identities of any of them disqualified from submitting offers, (iii) the reasons for such disqualification, (iv) the number and identity of offers received, (v) a list of all criteria used to evaluate the transaction and a description of the relative importance applied to each such criterion, (vi) a ranking of each bid received by cost and by each criterion considered, and (vii) a justification of the decision that addresses the significance of each decision criterion identified as relevant.

7.9 In the event that solicitation of third-party offers is not used for a Large Transaction, NSPI shall prepare a description of: (a) the justification for failing to use such solicitations, (b) a description of alternate means used to identify available commercial alternatives, (c) the criteria used to evaluate and compare those alternatives, and (d) a description of the process and reasons for choosing to transact with an affiliate.

7.10 In the event that NSPI contracts with an affiliate acting in concert with a third-party (whether by partnership, joint venture, or otherwise), NSPI shall document its efforts to consider the propriety, possibility, advantages, and disadvantages of NSPI's working similarly with a third-party as an alternative.

8.0 EMPLOYEE COMPLIANCE

Objectives

To ensure understanding of and compliance with this Code of Conduct.

Protocols

8.1 NSPI will inform all its managers and employees directly involved in affiliate activities of their expected behavior relative to the Code of Conduct and will undertake annual management reviews to ensure compliance.

9.0 GENERAL

9.1 All reports referred to in this document shall be provided by April 30 in respect of each preceding year.

9.2 This Code of Conduct replaces the Code of Conduct dated November 9, 2004 (effective January 1, 2005), and shall become effective on June 1, 2009.

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Request IR-182:

With respect to the response to Liberty IR 142, please:

(a) list all other Emera entities who are subject to publicly imposed requirements in the areas addressed by the Sustainability group,

(b) please list all other Emera entities whose current and planned business activities do or may be expected to involve them in the types of facilities that the group has examined since its formation,

(c) describe what general and project-specific information of the Sustainability group is shared with those other Emera entities,

(d) provide any documented limits on the sharing of group information with other Emera entities, and

(e) describe how any information sharing limits have been and are expected to continue to be enforced.

Response IR-182:

(a) Nova Scotia Power is not aware of other Emera entities subject to publicly imposed requirements in the same areas addressed by the Sustainability group.

(b) Nova Scotia Power cannot speak to the current and planned business activities or expectations of other Emera entities in this area. The Sustainability Group's current projects do not involve other Emera entities. Any future potential activities that may

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involve the Sustainability Group and other Emera entities would be transacted in accordance with the requirements of the Affiliate Code of Conduct.

(c) Non-confidential information may be shared from time to time with other Emera entities, and with other third parties, respecting the activities of this group.

(d) The Sustainability Group, like any other group within Nova Scotia Power, is required to follow the company policies and procedures for treatment of information related to issues such as compliance with the Affiliate Code of Conduct, confidential personnel or customer information, procurement policies, confidential supplier information, confidential company information, and OATT Standards of Conduct. The Sustainability Group does not have separate policies, specific to its group, for sharing of its group information with third parties such as other Emera entities.

(e) Employees are required to follow company policies and procedures. The Executive Vice President of Sustainability has overall accountability for compliance with policies and procedures within this group.

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Request IR-183:

With respect to the response to Liberty IR 142 part (b), please provide the information that was requested, specifically by stating:

(a) who has performed similar work for Emera entities other than NSPI since the formation of the Sustainability group,

(b) who is expected to do so for the remainder of 2011 and in 2012.

Response IR-183:

(a) Please refer to the table below for charges from the Sustainability department to affiliated companies. These amounts are reflected in annual Affiliate Code of Conduct Reports filed with the UARB.

	2009 ($)	**2010 ($)**	**2011 (to June 30) ($)**
Charges to Affiliates	10,846	-	71,500

These charges related to work as described below.

2009 Charges

The Director of Wind Energy in the Sustainability group worked on the Digby Wind project in late 2009. In late December of 2009, the project was acquired by an Emera affiliate and this employee did not do further work on the project until it was later acquired by Nova Scotia Power from the affiliate. The labour associated with this initial work was charged to the affiliate at the employee's labour costs, including fringe benefits plus a 50 percent mark-up for employee overhead, in accordance with the requirements of the Affiliate Code of Conduct. This information was disclosed to the UARB and was reviewed for Code of Conduct compliance by the UARB as part of the Digby Wind project capital application.

2011 Charges

In 2011, the following members of the Sustainability Group have performed work on a project associated with analysis of Marcellus Gas Supply:

Executive Vice President Sustainability
Director Renewable Energy
GIS Technician

This work was charged to Emera Inc.in accordance with the Affiliate Code of Conduct.

In addition, one member of the Sustainability group has recently left employment with Nova Scotia Power to work for an Emera affiliate. Some of the charges shown above for 2011 are therefore associated with re-allocating employee's payroll expenses to the employee's new employer as there was a small delay between the employee transitioning to the new position, and the implementation of the necessary administrative and payroll changes to reflect that change in employment.

(b) No one is expected to do so for the remainder of 2011 or in 2012.

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Request IR-184:

With respect to the response to Liberty IR 142 part (c), please provide the information that was requested, specifically by stating what Sustainability group costs have been charged to entities other than NSPI since the formation of the Sustainability group.

Response IR-184:

Please refer to Liberty IR-183.

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Request IR-185:

With respect to the response to Liberty IR 143, please identify and break down by type (e.g., consultant or contractor costs) the portions of each set of costs that consist of outside expenditures (i.e., not related to salary and loaders of full-time employees).

Response IR-185:

Please refer to the table on page 1 of Liberty IR-129 for breakdown. The only non-labour cost reflects the work management's service agreement.

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Request IR-186:

With respect to NSPI's response to Liberty IR-104 which requested all workpapers and assumptions for the labour claims for each division to include supporting pro forma adjustments, we note that NSPI's response explained that each division made adjustments for projected additions and reductions in positions and salary adjustments for anticipated union and non-union wage increases. However, the attachments do not provide supporting workpapers providing the methods, calculations, and detailed assumptions used to develop the base and adjusted pro forma claims for each division (e.g., number of base union and non-union positions and associated salary levels, number of union and non-union additions and deletions, associated salaries, corresponding results of the anticipated wage increases applied to the adjusted base). Please provide such detailed information to allow examination of the details by which NSPI supports its pro forma labour claims on a divisional basis.

Response IR-186:

In Liberty IR-104 Attachment 1, the column labeled 'Escalation' provides the base incremental increase applied to the 2011 Forecast. Please refer to Liberty IR-104(a) for labour escalators and Liberty IR-128(a) for non-labour escalators. These escalators were applied to all labour and non-labour items except pension (account 042 Employee Benefits), insurance related to Corporate Secretary, and fleet fuel. The forecasts for corporate pension expense, insurance and fleet fuel are specific forecasts. Please refer to Liberty IR-111.

Liberty IR-104 Attachment 1 also provides a column labeled 'Adjustment' that shows any additions or reductions to the base incremental increases. Adjustments were made on a divisional basis for initiatives such as succession planning and regulatory requirements.

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Request IR-187:

With respect to NSPI's response to Liberty IR-110 relating to the summary of positions additions and eliminations within Power Production, please provide:

(a) the total salary value associated with the 1 vacant position in 2011 and the associated benefits values,

(b) the total salary value associated with the 6 other vacant positions in 2012 and associated benefits values, and

(c) to the extent said positions would qualify for incentive compensation provide the respective 2011 and 2012 values for each.

Response IR-187:

(a) Individual employee compensation information is confidential. Releasing the total salary and associated benefits value for a single position would reveal personal confidential information about the future incumbent.

(b) These six positions have a forecasted salary value of $625,000, including benefits.

(c) NSPI does not forecast individual employee incentives. Incentives are forecasted as one amount for all eligible employees. Please refer to Liberty IR-130 for further information on NSPI's incentive compensation program.

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Request IR-188:

With respect to NSPI's response to Liberty IR-114, we observe that the Administrative Overheads labour credit of $31.1 million versus the $128.2 million actual subtotal labor for 2010 produces a 24.2% Administrative Overhead labour ratio; please:

(a) **explain why NSPI generated an Administrative Overheads labour credit claim of $27.4 million in 2012 that will produce a lower 19.8% Administrative Overhead labor ratio when compared to the $138.1 million subtotal labour claim in the 2012 forecast, and**

(b) **provide calculation details that will demonstrate the correctness of the difference.**

Response IR-188:

(a-b) Administrative overhead calculations are calculated based on the rates as described in Liberty IR-49 and applied against forecasted labour costs for capital projects. Liberty IR-126 details the calculations.

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Request IR-189:

With respect to NSPI's response to Liberty IR-125 which states,

> **In consideration for backfilling employees the company forecasts the number of employees eligible to retire and will make an estimate of potential retirements in order to build succession plans,**

please provide:

(a) the respective forecast for 2009 and 2010 (i.e., number of employees eligible to retire and number estimated to retire), and

(b) the number that actually retired in each year, with the information provided in the same format as the to the response to IR-125.

Response IR-189:

(a) NSPI estimates potential retirements to build succession plans but does not forecast retirements for specific years. NSPI's succession plans are built with consideration of the required positions to operate in a safe, effective and reliable manner. Please refer to Liberty IR-110 Attachment 1 for additions and reductions of these positions between 2009 compliance and 2012 forecast. NSPI also utilizes a term workforce and contractor network in order to balance fluctuations in labour requirements due to greater workload and unforeseen retirements in relation to both operating and capital projects.

(b) Please refer to Attachment 1, filed electronically.

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Request IR-190:

To the extent the attachment provided in response to Liberty IR-125 for the forecasted years 2011 and 2012 reflects the same approach described, please:

(a) provide the estimated number of potential retirements developed under the above described approach, and

(b) include associated payroll values, as well.

Response IR-190:

(a-b) Please refer to Liberty IR-189(a).

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Request IR-191:

With respect to NSPI's response to Liberty IR-130, which sets forth incentive compensation values for 2009 through 2012, please provide a breakdown of said values for each category (General Staff, Supervisor/Individual Contributor, Manager, and, Director, and Executive) by year.

Response IR-191:

The table below illustrates incentive payments for the performance year 2009 paid in 2010 through to the estimated payment for the performance year 2011 paid in 2012.

2009 Incentive Paid in 2010	
G	$1,308,103
I	$2,058,626
M	$1,253,355
D	$895,231
E	$747,921
Total	**$6,263,236**

2010 Incentive Paid in 2011	
G	$1,292,850
I	$2,098,411
M	$1,143,779
D	$505,238
E	$488,377
Total	**$5,528,654**

2011 Incentive Paid in 2012 (Forecast at Target)	
G	[redacted]
I	[redacted]
M	[redacted]
D	[redacted]
E	[redacted]
Total	[redacted]

Only 50 percent of incentive costs are included in regulated OM&G costs, as approved by the UARB. The amounts above reflect 100 percent of the amounts.