



TRUSTED COUNSEL. SKILLED ADVOCATES.

July 8, 2014

**VIA EMAIL**

26872  
Nicole Godbout  
Regulatory Counsel  
***Nova Scotia Power Inc.***  
1223 Lower Water Street  
PO Box 910  
Halifax, NS B3J 2W5

Dear Ms. Godbout:

***Re: IRP – June 25 – Avoided Costs***

These are the comments of the CA in relation to the presentation on avoided costs that occurred on June 25, 2014.

The CA agrees that the difference in revenue requirement (DRR) is the most appropriate approach for establishing avoided costs in Nova Scotia. NSPI will need to address the issue of avoided transmission and distribution costs, perhaps based on an historical relationship between load growth and load related additions.

The CA supports a periodic update of avoided costs, on a regular basis. The timing should be long enough to allow some predictability in DSM planning and minimize excess effort on the part of NSPI and stakeholders, but short enough that avoided costs do not fall out of date. Depending on the schedule established for DSM planning, an appropriate interval for avoided costs updates might be two or three years.

Yours truly,

A handwritten signature in blue ink that reads "W L Mahody".

William L. Mahody  
Direct: (902) 429-3547  
bill@mjswm.com

WLM:dlb  
c Interested Parties  
#208101