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1 **Request IR-1:**

2  
3 **Reference: Application p.35 of 81**

4  
5 **Preamble: NS Power states that all RtR tariffs should apply fully to the RtR transactions**  
6 **for behind-the-meter applications.**

7  
8 **Please provide NS Power's views of how each of the following scenarios:**

- 9
- 10 • **fits into (or outside of) the RtR framework,**
  - 11
  - 12 • **whether and which tariffs are applicable in each scenario (separately**  
13 **identified for the behind-the-meter customer and other customers),**
  - 14
  - 15 • **whether a licence is required to sell to the customers (separately identified**  
16 **for the behind-the-meter customer and other customers),**
  - 17
  - 18 • **whether the distribution service for each type of customer (behind-the-meter**  
19 **or other) is bundled service or Distribution Tariff service, or whether there is**  
20 **an option for customers, and**
  - 21
  - 22 • **whether secondary metering is required to measure the LRS deliveries to the**  
23 **behind-the-meter customer, for the purposes of settlement of amounts due**  
24 **from the LRS to NS Power.**

25  
26 **For each situation, consider that the generator and the LRS are the same entity. If a**  
27 **distinction between the responses is appropriate if the generator and the LRS are separate**  
28 **entities, please explain the distinction. Where possible, please provide support for NS**  
29 **Power's views by referencing the Electricity Act or other relevant documents.**

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1 Response IR-1:

2

3 Please refer also to **NSUARB IR-3**.

4

5 With the introduction of Renewable to Retail, three categories of service will be available to  
6 customers who are not wholesale market participants:

7

8 (a) RtR service, being service provided under sections 3(C) to 3(G) of the Electricity Act.

9

10 • RtR service can only be provided to a customer by an LRS which has executed an  
11 LRS Participation Agreement and is subject to the Energy Balancing Service  
12 Tariff, the Standby Service Tariff, the OATT, the Renewable to Retail Transition  
13 Tariff, and the Distribution Tariff.

14

15 • In accordance with the requirements of the LRS Terms & Conditions, all RtR  
16 tariff settlements in respect of behind-the-meter generation will utilise secondary  
17 metering data.

18

19 • RtR service is an alternative to, and cannot be combined with, Net Metering  
20 service or Bundled Service. A customer receiving RtR service will therefore  
21 receive all its electricity from the LRS, irrespective of whether the supply is  
22 behind the meter, through an LRS micro-grid, or through the NS Power  
23 distribution or transmission system.

24

25 (b) Net Metering service provided by NS Power in accordance with section 3 (A) of the  
26 Electricity Act, the Net Metering regulation (Regulation 3.6) and the applicable Bundled  
27 Service tariff.

28

29 (c) Bundled Service provided by NS Power under the applicable Bundled Service tariff.

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1 Consistent with the foregoing, NS Power's comments on the scenarios presented are as follows:

2  
3 **(i) A generator connected behind-the-meter directly to a customer's load with**  
4 **no sales of electricity to other customers and no spill electricity sold to NS**  
5 **Power. The customer takes distribution service from NS Power in order to**  
6 **receive electricity when the generator output is not sufficient to match the**  
7 **load.**

8  
9 • If the generation facility is certified as providing renewable low-impact  
10 electricity, this would be RtR service and subject to the introductory  
11 comments set out above.

12  
13 • If the generation facility is not certified as providing renewable low-  
14 impact electricity, NS Power would review its eligibility under the  
15 Generation Replacement and Load Following (GRLF) Tariff provisions.

16  
17 **(ii) A generator connected behind-the-meter directly to a customer's load with**  
18 **no sales of electricity to other customers. Spill electricity is sold to NS Power**  
19 **under a net metering arrangement. The customer takes distribution service**  
20 **from NS Power in order to receive electricity when the generator output is**  
21 **not sufficient to match the load.**

22  
23 • If the generation facility provides renewable low-impact electricity, the  
24 customer may be eligible for Net Metering service, which includes  
25 provision of the balance of supply as Bundled Service.

26  
27 **(iii) A generator connected behind-the-meter directly to a customer's load with**  
28 **sales of electricity to other customers through a private distribution system**  
29 **(e.g. apartment building, condo development, industrial park) and no use of**  
30 **NS Power's distribution system to transmit electricity from the behind-the-**

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1           **meter generator. Each of these customers takes distribution service from NS**  
2           **Power in order to receive electricity when the generator output is not**  
3           **sufficient to match the load. There is no spill electricity sold to NS Power.**

4  
5           •       It is assumed that, for technical reasons, there is no parallel operation of  
6           NS Power distribution system and the LRS micro-grid/private distribution  
7           system. There is assumed to be a single point of connection between the  
8           NS Power distribution system and the LRS micro-grid.

9  
10          •       If the generation facility is certified as providing renewable low-impact  
11          electricity, this would be RtR service including in respect of service to the  
12          co-located load, and is thus subject to the introductory comments set out  
13          above. The LRS, being the presumed owner of the private distribution  
14          system, would be the NS Power distribution customer.

15  
16          **(iv) A generator connected behind-the-meter directly to a customer's load with**  
17          **sales of electricity to other customers through a private distribution system**  
18          **(e.g. apartment building, condo development, industrial park) and no use of**  
19          **NS Power's distribution system to transmit electricity from the behind-the-**  
20          **meter generator. Each of these customers takes distribution service from NS**  
21          **Power in order to receive electricity when the generator output is not**  
22          **sufficient to match the load. Spill electricity is sold to NS Power under a net**  
23          **metering arrangement.**

24  
25          •       Same as (iii) above; RtR service and subject to the introductory comments  
26          set out above, including in respect of spill. Net Metering arrangements are  
27          not applicable.

28  
29          **(v) A generator connected behind-the-meter directly to a customer's load with**  
30          **sales of electricity to other customers through a private distribution system**

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1           **(e.g. apartment building, condo development, industrial park) and no use of**  
2           **NS Power’s distribution system to transmit electricity from the behind-the-**  
3           **meter generator. Each of these customers takes distribution service from NS**  
4           **Power in order to receive electricity when the generator output is not**  
5           **sufficient to match the load. Spill electricity is sold to NS Power.**

- 6
- 7           • Same as (iii) above; RtR service and subject to the introductory comments  
8           set out above.

9

10       **(vi) A generator connected behind-the-meter directly to a customer’s load with**  
11       **sales of electricity to other customers using NS Power’s distribution system.**  
12       **The customer with the on-site generation does not take NS Power**  
13       **distribution service (i.e. the on-site generation provides 100% of the annual**  
14       **energy needs of the co-located customer). There is no spill electricity sold to**  
15       **NS Power.**

- 16
- 17       • Same as (iii) above; RtR service and subject to the introductory comments  
18       set out above.

- 19
- 20       • Note that the combination of 100% energy needs and zero spill would  
21       require perfect matching of generation and load in every hour which is  
22       impossible.

23

24       **(vii) A generator connected behind-the-meter directly to a customer’s load with**  
25       **sales of electricity to other customers using NS Power’s distribution system**  
26       **and with spill electricity sold to NS Power. The customer with the on-site**  
27       **generation does not take NS Power distribution service (i.e. the on-site**  
28       **generation provides 100% of the annual energy needs).**

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- 1           •       RtR service, including in respect of co-located load and subject to the  
2                   introductory comments set out above.

3  
4       **(viii) A generator connected behind-the-meter directly to a customer's load with**  
5       **sales of electricity to other customers using NS Power's distribution system.**  
6       **There is no spill electricity sold to NS Power as the entire output of the**  
7       **generator is consumed by the behind-the-meter and other customers. All**  
8       **customers take NS Power distribution service.**

- 9  
10       •       RtR service, including co-located load and subject to the introductory  
11                comments set out above.

- 12  
13       •       Note that zero spill is not realistic, as this would mean that any quantity of  
14                top up would represent an infringement of the compliance requirement  
15                under the Retailers Regulations. Perfect matching of generation and load  
16                in every hour is impossible.

17  
18       **(ix) A generator connected behind-the-meter directly to a customer's load with**  
19       **sales of electricity to other customers using NS Power's distribution system**  
20       **and spill electricity is sold to NS Power. All customers take NS Power**  
21       **distribution service.**

- 22  
23       •       RtR service, including co-located load and subject to the introductory  
24                comments set out above.

25  
26       **(x) A purpose-built renewable low-impact generation facility serving other RtR**  
27       **customers that requires NS Power distribution service to provide station**  
28       **service. That is, the generation facility is a distribution service customer of**  
29       **NSP but otherwise has no co-located load.**

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- 1           •       RtR service.

- 2
- 3           •       During generation facility operations the station service load would be  
4 drawn from the generator output prior to metering the injection to the grid.  
5 Station service load, being that specifically utilised in the generation of  
6 electricity, is not required to be metered separately from the generation.

- 7
- 8           •       Station service load drawn from the grid during generator shutdown would  
9 be LRS load to be supplied from another generation facility of the LRS or  
10 in the absence of such other generation, from top-up service.

- 11
- 12       **(xi) A non-renewable generator connected behind-the-meter directly to a**  
13 **customer's load with no sales of electricity to other customers and no spill**  
14 **electricity sold to NS Power. The customer takes distribution service from NS**  
15 **Power in order to receive electricity when the generator output is not**  
16 **sufficient to match the load. (i.e. contrast this situation with (i))**

- 17
- 18           •       If the generation facility is not certified as providing renewable low-  
19 impact electricity, NS Power would review its eligibility under the GRLF  
20 provisions.

- 21
- 22       **(xii) A non-renewable generator connected behind-the-meter directly to a**  
23 **customer's load with no sales of electricity to other customers. Spill**  
24 **electricity is sold to NS Power under a net metering arrangement. The**  
25 **customer takes distribution service from NS Power in order to receive**  
26 **electricity when the generator output is not sufficient to match the load. (i.e.**  
27 **contrast this situation with (ii))**

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- 1                   •     If the generation facility is not certified as providing renewable low-  
2                             impact electricity, NS Power would review its eligibility under the GRLF  
3                             provisions.



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1 **Request IR-2:**

2  
3 **Reference: Application p. 47 of 81; LRS Terms and Conditions p. 17 of 51**

4  
5 **Preamble: NS Power states: “Prior to the enrolling of a Retail Customer, the LRS is**  
6 **required to complete and submit an application form (RtR Customer Transaction Request**  
7 **Application) signed by both the LRS and the Retail Customer.” For small-volume**  
8 **customers, this means four separate documents must be signed in order to subscribe to RtR**  
9 **service.**

10  
11 **(a) Please explain why NS Power requires evidence of a RtR Customer’s consent in**  
12 **support of a transaction request. Does NS Power intend to “police” the transfer of**  
13 **customers to and from bundled service?**

14  
15 **(b) Please give NS Power’s view whether an image of the signed contract, with**  
16 **redactions as deemed necessary by the LRS and forwarded electronically to NS**  
17 **Power, represents an acceptable alternative to a separate signed Transaction**  
18 **Request.**

19  
20 **(c) Please provide NS Power’s views whether LRSs may make transaction requests on**  
21 **behalf of their customers that have agreed to a contract in accordance with the**  
22 **Retailers Regulations.**

23  
24 **(d) Please explain why NS Power requires evidence of a RtR Customer’s consent in**  
25 **support of a transaction request to update customer information. Does NS Power**  
26 **currently require a signed document in order to update customer information?**

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1 Response IR-2:

2  
3 (a-c) The RtR Customer Transaction Request Application is part of the transfer process. It will  
4 enable NS Power to track LRSs and retail customers entering and leaving the RtR Market  
5 and to ensure all appropriate consents and acknowledgements have been obtained.  
6

7 The Distribution Tariff governs the relationship between NS Power and RtR Customers  
8 who are not connected directly to the transmission system. Access to the distribution  
9 system is provided to such RtR Customers through the Distribution Tariff which sets out  
10 the terms and conditions and rates payable by the RtR Customer. The contract between  
11 the LRS and the RtR is specific to the contractual relationship between those parties and  
12 as such is not an acceptable alternative to a signed RtR Customer Transaction Request  
13 Application. The RtR Customer Transaction Request Application will confirm the RtR  
14 Customer's consent to the terms and conditions of the Distribution Tariff as well as NS  
15 Power's authorization to disclose customer information to the LRS. NS Power will not  
16 be able to disclose specific customer information to the LRS without the customer's prior  
17 written consent. As noted by the Company in its Application, the form of RtR Customer  
18 Transaction Request Application has not yet been determined and will need to be  
19 developed during the implementation period after the overall market design has been  
20 finalized and approved.  
21

22 (d) The RtR Customer will be the customer of NS Power with respect to the provision of  
23 Distribution System Access service as explained above. NS Power will therefore require  
24 the consent of the RtR customer to change any of its specific customer information.  
25 Absent such consent, NS Power would have no way of verifying the accuracy of the  
26 change(s) requested either by an LRS or an RtR Customer. The process recommended by  
27 NS Power ensures that all three parties – NS Power, the LRS and the RtR Customer are  
28 in agreement with the customer information on file with the Company. NS Power would  
29 not currently change customer information without confirming or being given notice of  
30 such changes by the customer.

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1 **Request IR-3:**

2  
3 **Reference: Application p. 47 of 81; Appendix 18 LRS Terms and Conditions S.11.7**

4  
5 **Preamble: NS Power states: “NS Power will process requests to transfer customers to RtR**  
6 **service, but may refuse to transfer a customer if that customer has not settled amounts**  
7 **owing to NS Power.”**

8  
9 **(a) Please clarify NS Power’s requirement that customers must not have amounts**  
10 **owing to NS Power prior to transfer to retailer supply. For example, at the time of a**  
11 **transfer, a customer will have amounts owing to NS Power considering the final bill**  
12 **to the customer will be rendered at the time (or shortly after) of the final meter**  
13 **reading prior to the customer being transferred to retail supply.**

14  
15 **(b) Please provide an indicative timeline for the signing of a contract between a**  
16 **customer and a LRS and the transfer of the customer to retail supply, including the**  
17 **milestones of: the final meter reading, issuing a final bill to a customer, the expected**  
18 **payment by the customer, and the date of transfer to retail supply.**

19  
20 **(c) Please identify any differences between the timeline in (b) and the timeline for**  
21 **return to bundled service.**

22  
23 **(d) Considering that remotely polled, interval meters are required for RtR service,**  
24 **please clarify the timing of customer transfers to or from RtR service from or to**  
25 **bundled service. That is, will the timing be influenced by the installation of the new**  
26 **meter, and once the new meter is installed, can meter readings and transfers be**  
27 **undertaken at any time? If a remotely polled, interval meter is already installed, is**  
28 **there any restriction on when the final meter reading can be taken and the customer**  
29 **transferred to or from bundled service?**

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1 Response IR-3:

2

3 (a-c) The general intent of Section 11.7 of the LRS Terms and Conditions is to ensure that any  
4 amounts for which the customer may be in arrears to NS Power has been paid in full  
5 before the customer is permitted to depart bundled service and enter into the RtR market  
6 or before an RtR customer can transfer to another Licenced Retail Supplier (LRS).  
7 There may be a gap in time between when an RtR Customer Transaction Request  
8 Application is submitted to NS Power and the customer's final meter reading, and NS  
9 Power would work with the customer to ensure the transfer is not unnecessarily delayed  
10 by the settlement of the final bill. The process could be influenced by such factors as the  
11 customer's payment history, consumption pattern and whether or not the Company is  
12 holding a deposit from the customer. As noted in Section 12 of the Application, the  
13 Company anticipates that once the final design has been approved, the development of  
14 further administrative processes and timelines for customer transfers between NS Power  
15 and an LRS, between LRSs, and for a customer's return to bundled service.

16

17 Section 17.4 of the LRS Terms & Conditions provide that NS Power has the right to  
18 refuse a transfer from any customer returning to bundled service who has a debt payable  
19 to NS Power in relation to previous electrical service.

20

21 (d) In general terms, all transfers will need to allow time for the processing of the RtR  
22 Customer Transaction Request Application and any necessary verifications of customer  
23 payment status. After the application is processed, the installation of interval meters and  
24 any associated communication devices would be scheduled as expeditiously as  
25 reasonably possible. Once interval meters are in place, NS Power anticipates that the  
26 customer transfer could take place at any time thereafter. It may be a matter of  
27 convenience to schedule subsequent changes for calendar month end so as to avoid stub  
28 period billing, but this type of detail remains to be developed.

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1 **Request IR-4:**

2  
3 **Reference: Application p. 47 of 81**

4  
5 **Preamble: NS Power states that providing metering services will be one of its**  
6 **responsibilities.**

7  
8 **(a) Please give NS Power's view whether an LRS or a third party could provide meters**  
9 **and metering services (e.g. meter reading), assuming the LRS or third party**  
10 **complied with Measurement Canada regulations and provided metering data to NS**  
11 **Power according to the same timelines as NS Power plans to provide metering data**  
12 **to the LRSs.**

13  
14 **(b) Please identify any technical or economic obstacles to third parties or LRSs**  
15 **providing meters and metering services.**

16  
17 **(c) Please identify the costs that are included in and recovered under the Distribution**  
18 **Tariff with respect to meters and metering services for each rate class.**

19  
20 **Response IR-4:**

21  
22 **(a) Metering service is fundamental to the application of all NS Power tariffs, and is an**  
23 **element of NS Power's services regulated by the Board. NS Power is of the view that**  
24 **metering service at its customer delivery points should continue to be an element of NS**  
25 **Power service as regulated by the Board, as is the case in other restructured markets in**  
26 **Canada and the US, wherein the distributor retains the responsibility for provision of**  
27 **metering services.**

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1 Some considerations include:

2  
3 (i) Under LRS ownership of meters (including the use of a third party service  
4 provider), any customer wishing to change suppliers or revert to bundled service  
5 may be subject to delays and/or cost in equipment changes, so that meter  
6 ownership becomes a potential impediment to such changes.

7  
8 (ii) NS Power would need to set minimum metering specifications to cover aspects of  
9 metering (e.g. data retention) beyond Measurement Canada standards.

10  
11 (b) Provision of meters and metering services requires considerable infrastructure investment  
12 in metering equipment, personnel and supporting systems. Some of the main  
13 requirements include:

14  
15 (i) Establishing and maintaining meter inventories of tested and sealed revenue  
16 meters in sufficient numbers and types to avoid delays in customer transfers as  
17 well as address replacements required due to in-service failures or damage.

18  
19 (ii) Having trained and qualified personnel available to perform meter installations  
20 throughout the province.

21  
22 (iii) Maintaining administrative systems to support Measurement Canada  
23 requirements.

24  
25 (iv) Having the capability to exchange metering data with NS Power's meter data and  
26 customer billing systems.

27  
28 (c) Please refer to Exhibits 6, 6A and 6B of the Cost of Service Studies included in  
29 **Appendix 11A**. The costs in question are included in the following categories:

NSPI Renewable to Retail (NSUARB P-896/M06214)  
NSPI Responses to Energy Consultants International Information Requests

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- 1 (i) Meter costs – Exhibit 6a, line 20.
- 2 (ii) Meter Data Services – Exhibit 6, page 4, line 22.
- 3 (iii) Meter Reading Costs – Exhibit 6b, column 2.

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1 **Request IR-5:**

2

3 **Reference: Application p. 49 of 81**

4

5 **Preamble: NS Power says it will adjust distribution-level meter readings by established**  
6 **loss factors.**

7

8 **(a) Please elaborate on how the “established loss factors” are determined, how often the**  
9 **loss factors are adjusted, and whether the loss factors are reviewed or approved by**  
10 **the UARB.**

11

12 **(b) Please indicate whether the loss factors will be separately identified to the LRS on**  
13 **the invoice from NS Power to the LRS.**

14

15 **Response IR-5:**

16

17 (a) “Established loss factors” are the loss factors used during the most recent GRA  
18 proceeding for the purposes of the Cost of Service studies, which would be subject to the  
19 UARB’s Decision on any rate matter. Please refer to CA IR-01 for further discussion of  
20 loss factors.

21

22 (b) The loss factors will not be separately identified on the invoice, as multiple loss factors  
23 will be used in the settlement calculations based on the mix of customer classes served by  
24 the LRS. The average rate class losses are listed in Appendix 24, in Exhibit “COSS  
25 Losses.” The loss factors will be available to the LRS in the settlement documentation  
26 that supports each invoice.



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1 **Request IR-6:**

2

3 **Reference: Application p. 55 of 81**

4

5 **Preamble: NS Power says that top-up energy provided under the EBS Tariff will be null**  
6 **energy (that is, with no environmental attributes).**

7

8 **Please confirm whether NS Power expects the spill energy from the LRS to be provided to**  
9 **NS Power as null energy as well.**

10

11 Response IR-6:

12

13 Yes, NS Power expects both top-up and spill energy to be null energy. The Retail Supplier may  
14 need the renewable attributes of the spill energy to contribute to compliance with the 24-month  
15 Compliance Period in section 10 of the Board Electricity Retailers Regulations, during which the  
16 Retail Supplier's electricity purchases and/or generation must equal or exceed their sales of  
17 renewable low-impact electricity plus transmission and distribution losses.

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1 **Request IR-7:**

2  
3 **Reference: Application p. 56 of 81**

4  
5 **Preamble: NS Power says that the spill rate will include an adjustment to reduce the spill**  
6 **rate paid where a LRS's annual spill energy exceeds its customer load by greater than 10**  
7 **percent. LRSs may be expected to contract for additional renewable low income electricity**  
8 **supply over and above their forecasted load in order to ensure that the LRS is not in a**  
9 **deficit over the Compliance Period as established in the Retailers Regulations.**

10  
11 **(a) Please explain why NS Power needs to discount the rate paid for spill energy in**  
12 **excess of 10 percent of a LRS's customer load, and why 10 percent was selected as**  
13 **the threshold.**

14  
15 **(b) What are the implications to NS Power if the threshold is established at a higher**  
16 **percentage, such as 20% or 30%, or eliminated altogether?**

17  
18 **(c) What is the proposed adjustment to the spill rate for spill energy greater than 10%?**

19  
20 **Response IR-7:**

21  
22 **(a) The purpose of the proposed year-end discount to the annual excess spill energy payment**  
23 **is to align energy credits with the anticipated fuel cost savings of the Company.<sup>1</sup> The**  
24 **choice of 10 percent for the threshold reflects historic variation in annual renewable**  
25 **generation output due to variability in availability of renewable resources such as wind in**  
26 **the province of Nova Scotia. Please refer also to CA IR-19.**

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<sup>1</sup> The Draft Board Electricity Retailers Regulations provides a financial disincentive only to under-procurement of renewable generation. Refer to Section 13 of the Retailers Regulations in **Appendix 10**.

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- 1 (b) The discounting of excess spill is intended to compensate for the cost arising from  
2 suboptimal generation mix. This is an initial value for the market opening which may  
3 need to be refined over time. Changing the threshold to a higher value would risk  
4 transfer of costs to NS Power's bundled service customers.  
5
- 6 (c) Please refer to the Energy Credit discount schedule in the EBS Tariff in **Appendix 19**.

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1 **Request IR-8:**

2  
3 **Reference: Application p.69 of 81**

4  
5 **Preamble: NS Power states: “However, the Company’s ability to mitigate this cost is**  
6 **severely limited by its ongoing requirement to maintain generation capacity in the event**  
7 **the RtR customers return to NS Power’s service, either at their option or as the result of an**  
8 **action of the LRS.”**

9  
10 **(a) Does NS Power see that it has a firm obligation to serve former RtR customers**  
11 **returning to bundled service, or is the obligation on a best efforts basis?**

12  
13 **(b) Please indicate whether restrictions on the ability to return to NS Power bundled**  
14 **supply, such as advance notice (perhaps of a year or more), would reduce the need**  
15 **for NS Power to maintain generation capacity.**

16  
17 **(c) Please indicate the potential reductions in the RtR Tariffs that may be possible if**  
18 **extended periods of advance notice of a return to bundled supply were required.**

19  
20 **(d) Under what circumstances would NS Power retire capacity to recognize the**  
21 **migration of its customer base to RtR?**

22  
23 **Response IR-8:**

24  
25 (a-d) Section 3C (2) of the *Electricity Act* (Act) provides that NS Power has an obligation to  
26 serve RtR Customers returning to bundled service. As such, the Company has an  
27 ongoing requirement to maintain generation capacity in the event the RtR customers  
28 return to bundled service supply. There are no restrictions under the Act on the ability of  
29 an RtR Customer to return to bundled service. Specifically, Section 3C (2) of the Act  
30 states:

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3  
4  
5  
6  
7  
8

(2) Nova Scotia Power Incorporated shall not refuse to provide service to a retail customer on the basis that the customer purchases renewable low-impact electricity from a retail supplier.

With respect to the Company's opportunity to retire capacity as the RtR market develops, this will likely be a matter for review during a future Integrated Resource Planning exercise.

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1 **Request IR-9:**

2

3 **Reference: Application p. 65 of 81**

4

5 **Preamble: NS Power states that the cost of network upgrades necessary to connect new**  
6 **generation to the transmission system are to be borne by the LRS or renewable generator.**

7

8 (a) **Please explain how the depreciated and undepreciated costs of NS Power's**  
9 **equipment retired ahead of the end of its useful life as a result of network upgrades**  
10 **paid for by the LRS or renewable generator will be treated.**

11

12 (b) **Please explain whether the full cost of network upgrades, the result of which include**  
13 **the retirement of equipment at or near the end of its useful life, are still fully the**  
14 **responsibility of the LRS or renewable generator. If not, please explain how these**  
15 **costs are to be treated.**

16

17 **Response IR-9:**

18

19 (a) **NS Power employs pooled accounting for its transmission and distribution assets. For**  
20 **assets retired before the end of their useful lives, the asset is assumed to be fully**  
21 **depreciated and their original cost is removed from the Company's gross book value and**  
22 **accumulated depreciation balances.**

23

24 (b) **Under the revised OATT and Generator Interconnection and Operating Agreement, the**  
25 **Licensed Retail Supplier / renewable generator is responsible for the full cost of Network**  
26 **Upgrades. There is no additional charge for the undepreciated cost of existing utility**  
27 **assets.**

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1 **Request IR-10:**

2

3 **Reference: Appendix 18 LRS Terms and Conditions p. 15 of 51**

4

5 **Preamble: NS Power states that it has the right to terminate the LRS Participation**  
6 **Agreement if the LRS does not have a valid licence.**

7

8 **Please clarify NS Power’s interpretation of “valid” licence, specifically with respect to a**  
9 **licence suspended in accordance with section 19 of the Board Retailers Regulations.**

10

11 Response IR-10:

12

13 NS Power’s interpretation of a valid license is as set out in the Draft Board Electricity Retailers  
14 Regulations.

15

16 Section 19 of the Board Retailers Regulations provides that a licence may be cancelled by the  
17 Board if it determines the LRS has contravened the *Electricity Act*, the Regulations, the Code or  
18 the terms of its Licence.

19

20 If the License were cancelled, it would no longer be valid and NS Power would terminate the  
21 LRS Participation Agreement and make arrangements to serve the customers as default supplier  
22 (or as directed by other requests from the customers).

23

24 A licence may be suspended by the Board in which case the LRS Participation Agreement would  
25 remain in effect, as Section 20 of the Board Retailers Regulations provides that an LRS whose  
26 licence is suspended is prohibited from conducting marketing to customers, but, presumably,  
27 would be able to continue to serve its existing customers.

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1 **Request IR-11:**

2

3 **Reference: Appendix 18 LRS Terms and Conditions p. 29 of 51**

4

5 **Preamble: The LRS T&Cs specify requirements for NS Power in respect of metering**  
6 **services. NS Power states that meters with remote polling capability will be installed and**  
7 **that it will use Reasonable Efforts to obtain meter readings.**

8

9 (a) **Please identify the situations in which NS Power would be unable to obtain a meter**  
10 **reading if meters with remote polling capability are installed.**

11

12 (b) **Please identify the obstacles to obtaining a meter reading and the reasons why**  
13 **additional charges would apply for a meter reading if meters with remote polling**  
14 **capability are installed.**

15

16 **Response IR-11:**

17

18 (a) NS Power would be unable to obtain a meter reading using remote polling capability if  
19 there were issues with the meter's communications system (phone line or cellular service)  
20 that interrupted service for a prolonged period of time, or if there was an issue with the  
21 capabilities of the meter itself.

22

23 (b) Obstacles to obtaining meter readings are addressed in (a) above. The LRS T&Cs provide  
24 for the recovery of additional meter reading expense if an LRS requests that a meter  
25 reading be taken at a time other than the meter's scheduled reading. Costs associated with  
26 obtaining the off-schedule meter readings would be charged to the LRS.



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1 **Request IR-12:**

2  
3 **Reference: Appendix 18 LRS Terms and Conditions p. 31 of 51**

4  
5 **Preamble: The LRS T&Cs specify that LRSs will invoice RtR customers for Distribution**  
6 **Tariff charges.**

7  
8 **(a) Please provide NS Power's view whether the LRS can opt out of invoicing its**  
9 **customers for Distribution Tariff charges on behalf of NS Power (that is, opt out of**  
10 **supplier-consolidated billing, thus requiring NS Power to invoice RtR customers**  
11 **directly for distribution charges).**

12  
13 **(b) Please confirm whether this arrangement would have any impact on NS Power's**  
14 **costs.**

15  
16 **(c) Please confirm whether this arrangement would have any impact on the**  
17 **Distribution Tariff rates.**

18  
19 **Response IR-12:**

20  
21 (a) As proposed in the Application, an LRS cannot opt out of supplier consolidated billing  
22 and require NS Power to invoice the LRS's RtR customers directly for distribution  
23 charges. Section 14.5 of the LRS Terms and Conditions (**Appendix 18**) sets out the  
24 billing procedure and provides that unless NS Power directs otherwise, NS Power will  
25 invoice the LRS for the distribution charges and the LRS will pay NS Power in full for  
26 such charges.

27  
28 (b-c) NS Power has not identified any changes in costs that might be required it were not able  
29 to proceed with consolidated billing. Any cost impact would likely be dependent upon

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1 the volume of uptake in the market. If such costs were identified, they would be reflected  
2 in the Distribution Tariff rates.

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1 **Request IR-13:**

2

3 **Reference: Appendix 18 LRS Terms and Conditions p. 33 of 51**

4

5 **Preamble: The LRS T&Cs specify the requirement that the LRS's bills to its customers in**  
6 **respect of distribution tariff charges be in a form acceptable to NS Power.**

7

8 **Please explain why NS Power requires input into the form of the LRS's bills to the**  
9 **customer.**

10

11 Response IR-13:

12

13 The distribution tariff charges are amounts owing with respect to the provision of Distribution  
14 Access Service by NS Power to RtR Customers. NS Power wishes to ensure such charges are  
15 presented in an accurate manner on the LRS's invoice to its RtR Customer.