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1 **Request IR-132:**

2

3 **Referencing the response to IR 25, please:**

4

5 **(a) provide the basis for determining the wage and benefit rates used to estimate**
6 **personnel-related costs for union employees for 2012,**

7

8 **(b) explain the reason for using that basis,**

9

10 **(c) if that basis is other than the existing contract expiring in 2012, explain the basis for**
11 **adjustment(s), and**

12

13 **(d) and provide workpapers supporting the calculations resulting from such**
14 **adjustment(s).**

15

16 **Response IR-132:**

17

18 (a-b) Wage rates are based on existing Collective Agreement up to March 31, 2012 and
19 recommendation from an independent compensation consultant for remainder of 2012
20 (please refer to Liberty IR-107). For benefit rate estimates please refer to Liberty IR-108.

21

22 (c-d) Please refer to Liberty IR-107 Attachment 1.

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1 **Request IR-133:**

2

3 **Please:**

4

5 **(a) provide the basis for determining the compensation and benefit rates used to**
6 **estimate personnel-related costs for non-union employees for 2012,**

7

8 **(b) explain the reason for using that basis,**

9

10 **(c) if that basis is other than existing compensation and benefits, explain the basis for**
11 **adjustment(s), and**

12

13 **(d) and provide workpapers supporting the calculations resulting from such**
14 **adjustment(s).**

15

16 **Response IR-133:**

17

18 (a-d) Please refer to Liberty IR-113. The information reflects recommendations received from
19 independent compensation consultants based on industry research with reports available
20 at NSPI offices in the confidential data room.

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1 **Request IR-134:**

2

3 **Referring to NSPI's response to Liberty IR-26, which indicates that NSPI forecasts for**
4 **2011 and 2012 are based on division not employee, please provide:**

5

6 **(a) a narrative discussion as to how the forecast labour claims were developed for each**
7 **division for the 2011 and 2012 forecast years,**

8

9 **(b) all workpapers and assumptions which support the respective 2011 and 2012 labour**
10 **claims for each division, and**

11

12 **(c) supporting pro forma adjustments, if any.**

13

14 Response IR-134:

15

16 (a-c) Please refer to Liberty IR-104. The same escalators have been applied to both union and
17 non-union labour.

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1 **Request IR-135:**

2

3 **The response to Liberty IR 26 states that, employee counts by position for year-end 2011**
4 **and projected for year-end 2012 are not available because NSPI forecasts based on division**
5 **not employee." Please provide the year end 2011 and 2012 forecast counts by division to**
6 **the extent not provided in response to the previous request.**

7

8 Response IR-135:

9

10 Please refer to Liberty IR-105.

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1 **Request IR-136:**

2

3 **With respect to the application page 79 statement that,**

4

5 **The increases in vegetation management and storm costs relate directly to**
6 **the increased frequency and severity of weather experienced in Nova Scotia,**
7 **in particular high winds,**

8

9 **Please:**

10

11 **(a) describe the period during which the increased frequency has been observed,**

12

13 **(b) describe why that period is the appropriate one for basing an adjustment,**

14

15 **(c) specifically discuss the weather-related underpinnings to the this period as**
16 **compared with the period used to forecast hydro generation,**

17

18 **(d) identify and quantify the weather event assumptions used to support the**
19 **adjustments for vegetation management and storm costs,**

20

21 **(e) and state how the use of 5-year and 10-year average weather events would support**
22 **the requested adjustments.**

23

24 **Response IR-136:**

25

26 **(a) Please refer to Liberty IR-56 Attachment 1 Page 5.**

27

28 **(b) Please refer to Liberty IR-56 (b-c).**

29

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- 1 (c) There is no relationship between frequency and severity of wind and the manner in which
2 NSPI forecasts hydro generation. The hydro generation resource is calculated using the
3 Board approved methodology of a 23-year rolling average.
4
5 (d) NSPI used actual storm costs incurred as the basis for the forecast, as detailed in Liberty
6 IR-58 Attachment 1.
7
8 (e) Please refer to Liberty IR-56 (b-c).

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1 **Request IR-137:**

2

3 **The response to IR 29 refers to reliability investments; please identify by each category**
4 **shown in the table the amounts that comprise capital versus O&M expenditures.**

5

6 Response IR-137:

7

8 All amounts are O&M expenditures.

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1 **Request IR-138:**

2

3 **With respect to the response to IR-39, please:**

4

5 **(a) state which of the positions identified represent new positions (e.g., not transfers**
6 **from other positions not refilled, or position additions in one group offset by**
7 **position reductions in another, and**

8

9 **(b) provide documentation verifying the creation of any of the positions as new and**
10 **incremental to existing ones.**

11

12 **Response IR-138:**

13

14 **(a) The four positions identified represent new positions.**

15

16 **(b) The explanation for these new positions is provided in Liberty IR-39(a-b) and the start**
17 **dates are included in Liberty IR-116.**

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1 **Request IR-139:**

2

3 **The response to IR-39 explains a small portion of the \$9.1 million in labour costs identified**
4 **in application Table 5.1; please:**

5

6 **(a) provide similar information for the remaining sources of labour cost increases**
7 **shown in that table, and**

8

9 **(b) to the extent those other sources involve new positions, provide the information**
10 **requested in part (a) of IR-137.**

11

12 Response IR-139:

13

14 (a) Please refer to Attachment 1, filed electronically for details by division on the labour
15 costs identified in Table 5.1 of the Application. Please refer to Liberty IR-110
16 Attachment 1 for position details by division.

17

18 (b) Please refer to Liberty IR-110 Attachment 1.

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1 **Request IR-140:**

2

3 **With respect to the response to IR 42, please provide the requested data on whatever**
4 **commonly measured form (e.g., units of work) maintained by NSPI.**

5

6 Response IR-140:

7

8 NSPI assumes this question is intended to compare OM&G costs of NSPI employees, and
9 contractors, both affiliate and non-affiliate.

10

11 NSPI bases its decision to insource or outsource based on a number of factors, including, but not
12 limited to a full economic analysis of the various options. Examples of other factors would
13 include the degree to which the work is a core competency of the utility, risk vs benefits, and the
14 quality of available contractors to do the work to the standards (including safety) NSPI requires.

15

16 With respect to the economic analysis, each area of work is considered on its own, and would be
17 done in the units which made sense for the work. For example, NSPI's outsourcing contract for
18 IT infrastructure support is not based on hourly rates, but rather a detailed and multi-faceted set
19 of services and service levels to be delivered. Pole setting services on the other hand may be
20 primarily evaluated on cost per pole set basis. Vegetation management is based primarily on
21 completed spans and the nature of clearing required. Traffic control is assessed based on person
22 days provided. PLT line services are based on a fully loaded price per work unit based on a list
23 of NSPI's work units, with the exception of storm response, which is based on person hours
24 (refer to Liberty IR-41, Attachment 2).

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1 **Request IR-141:**

2

3 **With respect to the response to IR 43, please,**

4

5 **(a) state what changes in units, unit costs, and total costs for work performed by each of**
6 **the contractors listed in the table are assumed, and**

7

8 **(b) provide supporting workpapers demonstrating the effects of those changes on 2012**
9 **costs.**

10

11 **Response IR-141:**

12

13 (a) The dollars charged by an affiliate contractor reflected in the response to Liberty IR-43
14 reflect actual costs incurred based on contracted rates. Please refer to Liberty IR-41
15 Attachment 2, page 29 for the contract with Emera Utility Services effective February
16 2011 detailing the services and rates applicable for 2012. Contracts related to the 2008-
17 2010 period are provided in Confidential Attachment 1.

18

19 (b) NSPI did not conduct such analysis.

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1 **Request IR-142:**

2

3 **With respect to the response to IR 50, please:**

4

5 **(a) list all responsibilities (if different from the numbered list) beyond what the**
6 **response states as the "primary" one,**

7

8 **(b) identify who performs similar services for entities other than NSPI within the**
9 **Emera family of companies, enterprises, ventures, and operations,**

10

11 **(c) identify all costs of the group charged to other than NSPI on an above-the-line basis,**

12

13 **(d) list, describe, locate, and date each project and other identifiable assignment on**
14 **which the group has worked since its formation, and**

15

16 **(e) explain the basis and specific factors that would be used for charging, assigning, and**
17 **allocating the costs of such a group if it were to perform the functions listed for all**
18 **Emera entities with an interest in its operations.**

19

20 **Response IR-142:**

21

22 **(a) The groups' responsibilities are contained in Liberty IR-50 (d).**

23

24 **(b) NSPI is not forecasting employees in the Sustainability group would perform similar**
25 **services for entities other than NSPI during the 2012 test year.**

26

27 **(c) NSPI is not forecasting any costs of the Sustainability group to be charged to other than**
28 **NSPI for the 2012 test year.**

29

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- 1 (d) Please refer to Partially Confidential Attachment 1 for details on specific NSPI projects
2 involving Sustainability.
3
4 (e) Costs are allocated consistent with NSPI's Affiliate Code of Conduct- Guideline 6.

Sustainability Group projects			
Project Title	Description	Start Date	Asset Location
In-stream Tidal	Scope included detailed engineering, procurement of materials, and installation of in-stream tidal turbine	2008	Bay of Fundy
P/E Nuttby Mountain Wind Project	Preliminary engineering and initial site development of a 45MW Wind Project development	2009	Colchester County
Nuttby Mount. Wind Land Rights U&U	Development rights associated with the Nuttby Mountain Wind project	2009	Colchester County
Port Hawkesbury Biomass Project	Preliminary Engineering (P/E) costs for a 60 MW biomass cogeneration facility	2009	Port Hawkesbury
P/E Point Tupper Wind Project	Preliminary engineering and commercial development for ownership of up to 49% of the assets of the 23.3 MW wind project	2009	Point Tupper
Point Tupper Wind Project	Development of NSPI ownership of up to 49% of the assets of the 23.3 MW wind project	2009	Point Tupper
Nuttby Mountain Wind Project Dev	Development of 22- 2MW wind turbines	2009	Colchester County
PE Digby Wind Project	Preliminary engineering associated with the development of a 20 unit 30MW wind farm	2010	Digby
Digby Wind Project	Engineering, procurement, installation and commissioning activities associated with the development of the 20 unit, 30MW Wind Farm.	2010	Digby
Co-Firing Biomass	Scope included detailed engineering, procurement of materials, and installation of equipment for Unit #5 at the Trenton Generating Station to co-fire biomass with the existing fuel.	2010	Trenton
Port Hawkesbury Biomass Project	60MW Biomass co-generation facility	2010	Port Hawkesbury
Strait Biogen	Negotiate PPA (term sheet) and seek regulatory approval for RES compliant energy from co-gen plant at NPPH site.	2009	
IPP relations	Work with IPPs developing projects respecting contractual Matters and generally facilitate relationship with organization.	2009	

Sustainability Group projects			
Project Title	Description	Start Date	Asset Location
Biomass Supply Development	Work with stakeholders on sustainable harvesting practices	2009	
Biomass Mapping	Alternative types of biomass and Assess available supply and	2009	
FIT	Monitor regulatory proceeding.	2011	
Net Metering	Participate in development of proposed tariff revisions.	2010	
Harbour East Transmission Line	Support stakeholder consultation process for routing proposed suburban transmission line.	2010	Dartmouth \ Cole Harbour
Renewables Communications	Respond to media inquiries, presentations, blog.	2009	
Wheeler Consultation Process	Participate in government sponsored consultation on Renewables plan for Nova Scotia.	2009	
First Nations Renewable Development	Work with First Nations on potential jointly owned renewables developments.	2010	
Nova Scotia Carbon Capture and Storage participant & Co-founder	Research Advisory Committee Representation and Board Representation.	2010	
Atlantic Hydrogen	Commercial Advisory Board representation	2010	
Tidal	Work with Federal Government on industry developed technology, road map, FORCE Board, Fundy project monitoring and strategy development.	2009	
Electric Cars	Assess infrastructure requirements and plan for introduction in Nova Scotia.	2010	
Carbon Credits	Seek to maximize value of NSPI portfolio of credits.	2010	
Benchmarking	Cost comparison with other utilities.	2010	
Green Bonds	Assess potential for renewables specific financing targeted at Nova Scotians.	2010	
Underground Coal Gasification	Assess proposals as received.	2009	
Corporate Strategic Planning		2009	
Analysis of Marcellus Gas Supply	Assess development rate of industry.	2011	
Maritime Link/Muskrat Falls	Coordination – project is led by separate team outside of NSPI.	2009	

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1 **Request IR-143:**

2

3 **With respect to the work and asset management strategy discussed in the response to IR-**
4 **53, please:**

5

6 **(a) identify all 2011 costs incurred to date,**

7

8 **(b) estimate remaining 2011 costs,**

9

10 **(c) estimate 2012 costs, and**

11

12 **(e) indicate what costs related to such work are included in costs whose recovery is**
13 **being sought in this application.**

14

15 **Response IR-143:**

16

17 **Please refer to Liberty IR-129. Of the operating expenses identified in Liberty IR-129:**

18

19 **(a) YTD spend as of May 31, 2011 is \$246,748.**

20

21 **(b) Total 2011 full year estimated costs are \$541,000.**

22

23 **(c) Estimate costs for 2012 are \$790,000.**

24

25 **(d) The 2012 amounts are included in the OM&G test year forecast.**