

1 **Requirement:**

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3 **Provide the latest detailed fuel forecast for test year in the same format and level of**
4 **detail as the 2005 rate case (P-881) response to UARB IR-49 and as submitted in**
5 **2007 rate case (P-886) response to UARB IR-84. Identify the date and price of the**
6 **forward price curve data used for HFO and natural gas forecasts. Also provide the**
7 **Strategist runs used to compute the fuel and purchased power costs for the test year.**

8

9 **Submission:**

10

11 Please refer to Confidential Attachments 1, 2 and 3.

1 **Requirement:**

2

3 **Provide the current forecast of fuel burn levels for each plant for the current year**
4 **and the test year. Include projections for each fuel type, MMBtu consumed, %**
5 **sulphur in the fuel, tonnes of SO₂ emitted, dollars for each fuel type, and \$/ MMBtu**
6 **for each fuel type. Provide additional information to indicate the future solid fuel**
7 **requirements for 3 years beyond the test year.**

8

9 **Submission:**

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11 For 2011 forecast information requested, please refer to Confidential Attachment 1.

12

13 For the test year information requested:

14

15 Please refer to OE-01A (Fuel Summary and Plant Station Fuel Cost pages) for test year
16 fuel burn levels.

17

18 Please refer to OP-07 for the percent sulphur in the fuels.

19

20 Please refer to Attachment 1 of OE-01E for future solid fuel requirements.

1 **Requirement:**

2

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

7

- 8 **i. Costs for import coal**
- 9 **ii. Costs for domestic coal**
- 10 **iii. Costs for pet-coke**
- 11 **iv. Costs for oil**
- 12 **v. Costs for natural gas used**
- 13 **vi. Credits from the sale of natural gas**
- 14 **vii. Costs for purchased power, and**
- 15 **viii. Solid fuel transportation costs**

16

17 **Submission:**

18

19 Please refer to Confidential Attachments 1 and 2.

1 **Requirement:**

2

3 **Provide, for the last two years, the history of fossil fuel use, by fuel type, by fuel**
4 **qualities, by MMBTU contribution, and by cost of fuel.**

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6 **Submission:**

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8 Please refer to Confidential Attachment 1 for 2009 and Confidential Attachment 2 for
9 2010.

1 **Requirement:**

2

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

9

10 **Submission:**

11

12 Please refer to Confidential Attachment 1.

1 **Requirement:**

2

3 **Provide a copy of the latest Fuel Manual.**

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5 **Submission:**

6

7 This confidential information is available for viewing at NSPI offices.

1 **Requirement:**

2

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

8

9 **Submission:**

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11 NSPI is forecasting to burn natural gas as the primary fuel source at its Tufts Cove
12 Generating Facility for each month in 2012. The calculations supporting a fuel switch
13 are therefore not applicable in 2012.

1 **Requirement:**

2

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

11

12 **Submission:**

13

14 Please refer to Confidential Attachment 1.

1 **Requirement:**

2

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

7

8 **Submission:**

9

10 Please refer to Confidential Attachment 1.

1 **Requirement:**

2

3 **For each fuel, describe (qualitatively and quantitatively) any hedging programs in**
4 **place, current year hedge positions, and any hedging programs planned for the test**
5 **year.**

6

7 **Submission:**

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9 NSPI uses a combination of physical and financial contracts for hedging its fuel. The
10 types of hedging tools currently permitted to be used by NSPI are specified in the Fuel
11 Manual, Appendix B – Allowed Fuel Procurement Transactions, Freight Procurement
12 Transactions and Financial Instruments.

13

14 Please refer to Confidential Attachment 1.

1 **Requirement:**

2

3 **Provide forecasted prices calculation for uncommitted tonnages of solid fuels for the**
4 **test year.**

5

6 **Submission:**

7

8 Please refer to Confidential Attachment 1.

1 **Requirement:**

2

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

8

9 **Submission:**

10

11 Please refer to Confidential Attachment 1.

1 **Requirement:**

2

3 **Provide information on all fuel related Affiliate Transactions for the last two years**
4 **actual.**

5

6 **Submission:**

7

8 Please refer to Confidential Attachment 1.

1 **Requirement:**

2

3 **Provide a copy of the latest Fuel Supply or Transportation Studies conducted since**
4 **the last rate filing.**

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6 **Submission:**

7

8 Marine freight studies were presented to NSPI from freight brokers Clarksons (please
9 refer to Confidential Attachment 1) and Simpson, Spence and Young (SSY) (please refer
10 to Confidential Attachments 2 and 3) in 2010.

1 **Requirement:**

2

3 **Provide details on Export and Import Power Calculations over the standard**
4 **financial timeframes.**

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6 **Submission:**

7

8 Please refer to Confidential Attachment 1.

1 **Requirement:**

2

3 **Provide information on current Force Majeure issues or other known disputes that**
4 **may impact fuel deliveries.**

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6 **Submission:**

7

8 The response to this requirement is confidential.

1 **Requirement:**

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

7

8 **Submission:**

9

10 Please refer to Confidential Attachment 1.

NS Power 2012 General Rate Application

1 **Requirement:**

2

- 3 ○ **Maintenance and repair expenses.**
- 4 ○ **Insurance and security costs.**
- 5 ○ **Salaries and benefits.**
- 6 ○ **Pension expenses, noting any changes to assumptions since the last rate filing.**
- 7 ○ **Other post retirement benefits.**
- 8 ○ **Billing and collection expense.**
- 9 ○ **Outside or contract services.**
- 10 ○ **Regulatory expenses.**

11

12 **Submission:**

13

14 Please refer to Partially Confidential Attachment 1.

Nova Scotia Power Inc.
Operating, Maintenance and General
Years Ended December 31st
Thousands of Dollars

2012 Financial Outlook

1	(1)	(2)	(3)	(4)	(5)
2	Compliance			Present	Proposed
3	Restated	Actual 2010	Forecast	Rates	Rates
4	2009	2010	2011	2012	2012
5 Salaries & Benefits (net of pension expense)	120,117	136,310		142,778	142,778
6 Insurance Costs	4,183	4,307		5,523	5,523
7 Membership Dues & Professional Association Charges	703	999		1,082	1,082
8 Contracts	41,956	48,815		47,461	47,461
9 Maintenance & Repair Expenses	73,516	87,963		83,311	83,311
10 Billing & Collection Expense	6,432	7,292		7,475	7,475
11 Regulatory Expenses	5,314	5,291		5,859	5,859
12 Pension:					
13 Pension Plans	22,500	18,192		34,624	34,624
14 Other Post Retirement Benefits	6,800	5,550		6,176	6,176
15 Total Pension Expense	\$29,300	\$23,742		\$40,800	\$40,800

16
 17 **Notes:**

- 18 1) Figures presented reflect whole numbers which may cause rounding differences on some line items.
 19 2) Salaries & Benefits has been adjusted to exclude pension expense charged to labour.
 20 3) Insurance Costs consist of total expenses in account 043.
 21 4) Membership Dues & Professional Association charges consist of total expenses in account 029.
 22 5) Contracts consist of total expenses in account 013.
 23 6) Maintenance & Repair Expenses consist of costs for the repair and maintenance of all power production, transmission, and distribution assets (Power Production & Customer Operations). Expenses are comprised of direct labour, contracts, materials and associated miscellaneous expenses (includes storm repairs and vegetation management).
 24 7) Billing & Collection Expenses comprise Billing & Payment Services (includes labour, freight & postage) and Credit Services (includes net bad debt, third party collection services and excludes internal call centre labour).
 25 8) Regulatory Expenses consist of all labour and non-labour expenses incurred by Regulatory Affairs.
 26 9) Other Post Retirement Benefits include Early Retirement Incentive Plan and War Service Incentives, Long Service Awards and Post Retirement Benefits.

NS Power 2012 General Rate Application

1 **Requirement:**

2

3 ○ **Income tax, including details of tax calculations**

4 ○ **Taxes other than income taxes, including details of tax calculations**

5

6 **Submission:**

7

8 Please refer to Partially Confidential Attachment 1.

Nova Scotia Power Inc.

Tax Calculations

Years Ended December 31st

Millions of Dollars

2012 Financial Outlook

	(1) Compliance Restated 2009	(2) Actual 2010	(3) Forecast 2011	(4) Present Rates 2012	(5) Proposed Rates 2012
Corporate Income Tax Calculation:					
Net Income Before Tax	\$178.1	\$123.4		\$61.0	\$156.5
Add: Depreciation and Amortization	145.0	150.5		178.0	178.0
Accounting Amortization of financing costs	13.4	13.9		13.8	13.8
Pension Expense	25.7	26.3		40.8	40.8
Regulatory Amortization	18.3	36.9		21.6	21.6
Other	2.2	8.7		2.2	2.2
Total Additions	204.6	236.3		256.5	256.5
Subtotal	382.7	359.7		317.5	413.0
Less: Interest capitalized for accounting	7.6	17.1		25.4	25.4
Financing cost deductions	11.3	11.2		9.8	9.8
Regular Pension Funding	11.5	38.8		42.4	42.4
FAM Adjustment (including interest)	-	106.5		(46.7)	(46.7)
Capitalized Overhead	-	22.1		18.8	18.8
Other	25.1	71.9		72.2	72.2
Total Deductions before CCA	55.5	267.6		121.9	121.9
Net Income for tax purposes before CCA	327.2	92.1		195.6	291.0
CCA	142.1	194.8		183.7	183.7
Net Income for Tax purposes	185.1	(102.7)		11.8	107.3
Part VI.1 Deduction	16.9	9.6		7.2	7.2
Taxable Income	168.2	(112.3)		4.7	100.1
Part VI.1 Deduction	16.9	9.6		7.2	7.2
Income for tax expense calculations	185.1	(102.7)		11.8	107.3
Federal Income tax	35.1	(22.7)		1.8	16.1
Provincial Tax	29.6	(16.4)		1.9	17.2
Part VI.1	(0.3)	(0.5)		1.0	1.0
Reversal of Part VI.1 Tax Liability (Statute Barred)	-	-		(1.6)	(1.6)
Total Income Tax Before Adjustments	64.4	(39.6)		3.0	32.6
Add: Adjustments for tax returns and Other	-	(0.8)		(0.1)	-
Add: Adjustment for change in estimate of prior year tax benefits	-	(4.7)		-	-
Add: FAM Future Income Tax	-	33.8		(14.5)	(14.5)
Total Corporate Income Tax Expense	64.4	(11.3)		(11.6)	18.1
Provincial Capital Tax Calculation:					
Common Shares	830.6	984.7		984.7	984.7
Preferred Shares	260.0	135.0		135.0	135.0
Legal Retained Earnings and AOCI	142.8	226.8		349.3	344.2
Short Term Notes Payable (including bank indebtedness)	261.4	290.0		373.8	366.1
Holdbacks	0.2	1.0		1.0	1.0
Long Term Debt	1,334.1	1,705.0		1,905.0	1,905.0
Dividends Payable	3.2	1.7		1.7	1.7
Asset Retirement Obligation, Deferred Credits, Hedging derivatives and held for trading derivatives	92.4	212.0		232.4	232.4
Future Tax Liability	111.6	159.0		144.2	144.2
Unamortized Bond Premium	13.0	10.8		9.1	9.1
Customer Deposits	12.2	12.3		15.5	15.5
Other	-	1.6		-	-
Total	3,061.5	3,739.9		4,151.6	4,138.8
Provincial Capital Tax Rate	0.175%	0.125%		0.025%	0.025%
Less: Adjustments for tax return	-	(0.1)		-	-
Provincial Capital Tax Expense	5.3	4.6		1.0	1.0
TOTAL TAX EXPENSE	\$69.7	(\$6.8)		(\$10.5)	\$19.2

Notes:

1) Figures presented reflect whole numbers which may cause \$0.1M in rounding differences on some line items.

1 **Requirement:**

2

3 **Foreign exchange hedging.**

4

5 **Submission:**

6

7 Please refer to Confidential Attachment 1.

1 **Requirement:**

2

3 **Dues and professional association charges.**

4

5 **Submission:**

6

7 Please refer to OE-02 – OE-09.