

1 **Requirement:**

2

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 for 2013.

12

13 Please refer to Confidential Attachments 4, 5 and 6 for 2014.

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 the 2012 BCF information requested, please refer to Confidential Attachment 1.

12

13 For the test year information requested:

14

15 • Please refer to OE-01A, Attachments 1 and 4 for the Fuel Summary and Plant
16 Station Fuel Costs for 2013 and 2014 fuel burn levels, respectively.

17

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

19

20 • Please refer to OE-01E, Attachment 1 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.**

5

6 **Submission:**

7

8 Please refer to Confidential Attachments 1 and 2 for 2010 and 2011, respectively.

1 **Requirement:**

2

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

10

11 NS Power is forecasting to burn natural gas as the primary fuel source at its Tufts Cove
12 Generating Facility for each month in 2013 and 2014. The calculations supporting a fuel
13 switch are therefore not applicable in 2013 and 2014.

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 Attachments 1 and 2 for 2013 and 2014, respectively.

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:**

8

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

14

15 Please refer to Confidential Attachments 1 and 2 for 2013 and 2014, respectively.

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 Attachments 1 and 2 for 2013 and 2014, respectively.

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.**

5

6 **Submission:**

7

8 Marine freight studies were presented to NS Power from freight brokers Simpson, Spence
9 and Young (SSY) in 2011. Confidential Attachment 1 was filed with the Fuel Forecast
10 Update on August 31, 2011.

1 **Requirement:**

2

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

5

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.**

5

6 **Submission:**

7

8 This response is confidential in its entirety.

1 **Requirement:**

2

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.

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

2013-2014 Financial Outlook

	(1) Compliance Restated 2012	(2) Actual 2011	(3) Forecast 2012	(4) Present Rates 2013	(5) Present Rates 2014	(6) Proposed Rates 2013	(7) Proposed Rates 2014
4 Salaries & Benefits (net of pension expense)	\$133,689	\$133,754		\$136,320	\$140,407	\$136,320	\$140,407
5 Insurance Costs	4,523	4,146		5,145	5,402	5,145	5,402
6 Membership Dues & Professional Association Charges	1,082	1,136		1,027	1,046	1,027	1,046
7 Contracts	42,512	48,749		51,574	52,772	51,574	52,772
8 Maintenance & Repair Expenses	83,139	91,607		83,842	86,208	83,842	86,208
9 Billing & Collection Expense	7,472	13,416		9,158	9,241	9,158	9,241
10 Regulatory Expenses	5,854	6,518		6,332	6,236	6,332	6,236
11							
12 Pension:							
13 Pension Plans	36,700	36,876		54,477	52,915	54,477	52,915
14 Other Post Retirement Benefits	4,100	4,215		4,076	4,003	4,076	4,003
15 Total Pension Expense	\$40,800	\$41,091		\$58,553	\$56,918	\$58,553	\$56,918

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 consists of Long Service Awards and Post Retirement Benefits.

NS Power 2013 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

2013-2014 Financial Outlook

	(1) Compliance Restated 2012	(2) Actual 2011	(3)	(4) Present Rates 2013	(5) Present Rates 2014	(6) Proposed Rates 2013	(7) Proposed Rates 2014
Corporate Income Tax Calculation:							
Net Income Before Tax	\$143.5	\$96.9		\$33.7	\$99.4	\$164.4	\$168.4
Add: Depreciation and accretion	175.2	167.8		192.7	202.2	192.7	202.2
Accounting Amortization of financing costs	13.8	13.6		11.7	8.7	11.7	8.6
Pension Expense	40.8	41.1		58.6	56.9	58.6	56.9
Regulatory Amortization	21.6	19.1		22.9	22.1	22.9	22.1
Other	2.2	9.5		4.5	4.5	4.5	4.5
Total Additions	253.6	251.2		290.4	294.4	290.4	294.4
Subtotal	397.1	348.0		324.2	393.8	454.8	462.7
Less: Interest capitalized for accounting	20.9	16.2		8.3	6.1	8.3	6.1
Financing cost deductions	9.8	10.6		12.8	6.3	12.7	6.3
Pension Funding	41.6	45.4		71.9	71.9	71.9	71.9
Fuel adjustment	(50.2)	12.6		(29.2)	-	(29.2)	-
FCR adjustment	-	-		(16.5)	(16.5)	(16.5)	(16.5)
FAM & FCR deferral interest	3.5	6.7		3.9	1.8	3.9	1.8
Capitalized Overhead	18.8	15.5		18.5	19.0	18.5	19.0
Capital asset review deduction	69.6	71.1		57.4	63.5	57.4	63.5
Other	2.6	1.5		3.9	4.4	3.9	4.4
Total Deductions before CCA	116.6	179.6		130.9	156.7	130.9	156.6
Net Income for tax purposes before CCA	280.5	168.5		193.2	237.1	323.9	306.1
CCA	185.3	208.2		175.3	176.0	175.3	176.0
Net Income for Tax purposes	95.2	(39.8)		17.9	61.1	148.5	130.1
Part VI.1 Deduction	7.2	7.2		7.2	7.2	7.2	7.2
Taxable Income	88.0	(46.9)		10.7	53.9	141.4	122.9
Part VI.1 Deduction	7.2	7.2		7.2	7.2	7.2	7.2
Income for tax expense calculations	95.2	(39.8)		17.9	61.1	148.5	130.1
Federal Income tax	14.3	(7.8)		2.7	9.2	22.3	19.5
Provincial Tax	15.2	(6.4)		2.9	9.8	23.8	20.8
Part VI.1	1.0	0.6		1.0	1.0	1.0	1.0
Reversal of Part VI.1 Tax Liability (Statute Barred)	(1.6)	(1.6)		(1.5)	(1.2)	(1.5)	(1.2)
Total Income Tax Before Adjustments	28.9	(15.1)		5.0	18.8	45.5	40.1
Add: Adjustment for change in estimate of prior year tax benefits	-	(25.2)		-	-	-	-
Add: Other current tax adjustments (including rounding)	-	(2.0)		(0.0)	(0.0)	(0.0)	(0.0)
Add: FAM & FCR deferred income taxes	(14.5)	(0.2)		(12.9)	(4.6)	(12.9)	(4.6)
Total Corporate Income Tax Expense	14.4	(42.5)		(7.9)	14.2	32.6	35.6
Provincial Capital Tax Calculation:							
Common Shares	984.7	1,034.7		-	-	-	-
Preferred Shares	135.0	132.2		-	-	-	-
Legal Retained Earnings and AOCI	289.0	304.3		-	-	-	-
Short Term Notes Payable (including bank indebt)	275.2	312.8		-	-	-	-
Holdbacks	1.0	3.0		-	-	-	-
Long Term Debt	1,905.0	1,705.0		-	-	-	-
Dividends Payable	1.7	2.0		-	-	-	-
Pension Liability	-	428.3		-	-	-	-
ARO, Deferred Credits, Derivatives & Other Reserves	232.4	109.2		-	-	-	-
Deferred Taxes	144.2	32.1		-	-	-	-
Unamortized Bond Premium	9.1	10.0		-	-	-	-
Customer Deposits	15.5	11.9		-	-	-	-
Other	-	(0.7)		-	-	-	-
Total	3,992.8	4,084.7		-	-	-	-
Provincial Capital Tax Rate	0.025%	0.075%		0.000%	0.000%	0.000%	0.000%
Less: Adjustments for tax return	-	(0.1)		-	-	-	-
Provincial Capital Tax Expense	1.0	3.0		0.0	0.0	0.0	0.0
TOTAL TAX EXPENSE	\$15.4	(\$39.5)		(\$7.9)	\$14.2	\$32.6	\$35.6

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 Attachments 1 and 2 for 2013 and 2014, respectively.

1 **Requirement:**

2

3 **Dues and professional association charges.**

4

5 **Submission:**

6

7 Please refer to OE-02 – OE-09.