

May 21, 2010

Ms. Nancy McNeil
Regulatory Affairs Officer/Clerk
Nova Scotia Utility and Review Board
1601 Lower Water Street, 3rd Floor
Halifax, NS B3J 3P6

Efficiency Nova Scotia Funding - P-199

Dear Ms. McNeil:

By letter dated April 30, 2010, the Utility and Review Board (UARB) received an application on behalf of Efficiency Nova Scotia Corporation (ENS) for approval for initial funding of ENS by Nova Scotia Power Incorporated (NSPI).

NSPI offers the following comments with respect to ENS' request.

ENS' request for initial funding is comprised of three components as follows:

Component	Description	Estimate
1	2012 DSM Plan Development	\$600,000
2	Transition planning/execution	\$450,000
3	<u>Start up funding</u>	<u>\$990,000</u>
	Total	\$2,040,000

Section 43 of the *Efficiency Nova Scotia Corporation Act*, provides that NSPI is required to pay an assessment for start-up costs to ENS as approved by the UARB, and that NSPI may recover this assessment through rates as the UARB determines:

43 (1) Nova Scotia Power shall pay to the Corporation an assessment, as determined by the Review Board, to cover the start-up costs of the Corporation related to electricity demand-side management.

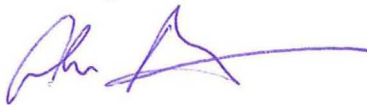
(2) Nova Scotia Power may recover the assessment from its ratepayers as the Review Board determines.

NSPI believes the overall estimate of \$2.04 Million for the components described above to be reasonable and appropriate. Upon approval from the UARB, NSPI is prepared to forward these initial funds to ENS.

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NSPI proposes to expense these initial funds to the 2010 DSM program budget as it would other program costs and to recover these costs through the DSM Cost Recovery Rider.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Alan Richardson', with a long horizontal flourish extending to the right.

Alan Richardson, P.Eng
VP, Integrated Customer Service

c:	Rene Gallant, General Manager, Regulatory, NSPI	By email
	William Lahey, Chair, Board of Directors, Efficiency NS	By email
	S. Bruce Outhouse, Board Counsel	By email