

May 7, 2010

Nancy McNeil
Clerk of the Board
Nova Scotia Utility and Review Board
1601 Lower Water Street, 3rd Floor
P.O. Box 1692, Unit "M"
Halifax, NS B3J 3S3

Re: Fuel Manual Revision Guide

Dear Ms. McNeil:

Please find enclosed for the Board's information NSPI's Fuel Manual Revision Guide (the Guide).

NSPI's Fuel Manual Revision Guide is an internal document used by NSPI in the administration of the Fuel Manual revision process. The Guide describes the processes established for Fuel Manual revision requests, internal review and approval of requested Fuel Manual revisions, and how to track revisions among other things.

More importantly, the Guide now includes provision for UARB review and approval of Fuel Manual revisions, and the opportunity for stakeholders to submit comments to the UARB related to the proposed revisions.

This version of the Guide is the result of a collaborative effort with the Board's consultants, Liberty Consulting Group. The Guide was issued to FAM stakeholders on April 27th for their review. NSPI received comments from counsel for NewPage Port Hawkesbury and Bowater Mersey on May 4th, which have been incorporated into the version of the Guide provided here.

Included for review are the following documents:

- NSPI Fuel Manual Revision Guide
- Appendix A – Fuel Manual Revision Request Form
- Appendix B – Record of NSPI Approved Fuel Manual Revisions
- Appendix C – Example of Vertical Line Tracking Method
- Appendix D – Example of an Internal Email Revisions Notification

Please note that Appendix D contains NSPI Fuel Manual references which are confidential, and has been uploaded to the Board's confidential repository.

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NSPI respectfully requests the Board review the Fuel Manual Revision Guide and its appendices, and provide the comments it considers appropriate to the undersigned.

Yours truly,



Eric Ferguson
Director, Regulatory Affairs (Acting)
Regulatory Affairs

Encl.

c: FAM Intervenors

NSPI Fuel Manual

NSPI's fuel management practices are documented in the NSPI Fuel Manual. The Fuel Manual is maintained by the Regulatory Compliance Coordinator. Current versions of the Fuel Manual are available in hardcopy from the FERM Central Files and in the FAM Data Room, and electronically through the FERM Team internal Sharepoint site located at the following link:

<http://powerprod.emera.com/Fuels/Fuel%20Procurement%20Policies%20%20Procedures/Forms/AllItems.aspx>

The Fuel Manual is a confidential document available to the FERM Team and confidential FAM stakeholders. Distribution of the document (or parts of the document) must be approved by the Director FERM.

Fuel Manual Revision and Approval Process

Revision Requests

Requests for revisions to the Fuel Manual will be recorded by the Regulatory Compliance Coordinator. Requests can be made internally through the Revision Request Form (see Appendix A) available online through the Fuels Group internal Sharepoint site. These revisions will be compiled in the Record of Approved Fuel Manual Revisions (see Appendix B).

Requests for revisions can also be made by external stakeholders. Stakeholder engagement processes related to Fuel Manual activities may result in stakeholder feedback suggesting Fuel Manual revisions. If consensus between NSPI and stakeholders on a suggested revision is reached, this revision will be recorded in the Record of Approved Fuel Manual Revisions by the Regulatory Compliance Coordinator. The Board may also direct NSPI to implement revisions, and these will also be recorded in the Record.

Revisions to the Fuel Manual will fall into one of two broad categories: 1) administrative or 2) substantive. All Fuel Manual revision tracking documentation will organize revisions by these categories.

Internal Review and Approval

The Regulatory Compliance Coordinator presents the Record of Approved Fuel Manual Revisions to the Director FERM for preliminary approval, who subsequently presents his recommendations for Fuel Manual revisions to the Executive VP & COO for final approval. The Director, FERM and Executive VP & COO will be responsible for review and approval of both Administrative and Substantive changes.

Approved revisions are recorded in the Record of Approved Fuel Manual Revisions. As a final step for internal approval, both the Director, FERM and Executive VP & COO will sign the Record of Approved Fuel Manual Revisions. The Record of Approved Fuel Manual Revisions is available in hardcopy from the FERM Central Files and online through the FERM Team internal Sharepoint site.

Internal review and approval of Fuel Manual revisions will occur, at a minimum, annually by the end of May. However, when substantive changes significantly affecting NSPI fuel procurement practices are proposed for implementation in the Fuel Manual, revisions may be reviewed and approved as necessary in order to expedite Board review and approval.

Tracking Revisions

The Regulatory Compliance Coordinator is then responsible for updating the Fuel Manual with approved revisions noted in the Record of Approved Fuel Manual Revisions. Administrative revisions will be implemented but otherwise not noted within the Fuel Manual. Only substantive revisions will be noted within the Fuel Manual per the process described below.

Revisions from one version of the Fuel Manual to the next are marked within the Fuel Manual by a vertical line located in the right margin of the page. This vertical line indicates where a revision has taken place as compared to the previous version of the Fuel Manual. These vertical lines are number coded to match the corresponding numbered revision in the Record of Approved Fuel Manual Revisions. (See Appendix C for an example.)

Subsequent revisions to the Fuel Manual will drop the prior version's vertical line tracking, number coding and matching Record of Approved Fuel Manual Revisions. The new version will begin with new vertical line tracking, number coding and a matching Record of Approved Fuel Manual Revisions relative only to that version's revisions.

The month and year of the update is indicated on the bottom right corner of the Manual cover. Additionally, the Manual will be assigned a revision number indicated in the same area.

UARB Review and Approval

Once all revisions to the Fuel Manual have been completed, the newly revised version of the Fuel Manual is submitted to the UARB for its review and approval. At this time, stakeholders will also be provided the opportunity to submit comments to the Board regarding the newly revised Fuel Manual, the proposed changes, and any proposed changes that were not internally approved by NSPI. Prior to UARB review and approval, NSPI will continue to follow the most recent Board-approved Fuel Manual.

The newly revised version of the Fuel Manual will feature the above noted vertical line revision tracking notation for substantive revisions. The Fuel Manual will be accompanied by the Record of Approved Fuel Manual Revisions.

The Record of Approved Fuel Manual Revisions will note administrative and substantive revisions. As mentioned, administrative revisions are not noted in the newly revised Fuel Manual. Substantive revisions are noted in the newly revised Fuel Manual only, by the vertical line tracking method.

The Fuel Manual will be submitted to the Board, at a minimum, annually by the end of May. However, when substantive changes significantly affecting NSPI fuel procurement practices are proposed for implementation in the Fuel Manual, it may be filed as necessary in order to expedite Board review and approval.

If any further revisions or edits are directed by the UARB, the Fuel Manual will be updated accordingly as will the Record of Approved Fuel Manual Revisions.

Internal Notification

Following UARB approval, updated hardcopies are placed in FERM central files and the online version is replaced. An email is then sent to the FERM Team and the Fuel Strategy Table (FST) members to advise them that the Fuel Manual has been updated. (See Appendix D for an example.) A brief summary of the revisions is outlined in the email. The Team is advised to review the Record of Approved Fuel Manual Revisions for complete details.

Records

Master copies of all versions of the Fuel Manual will be maintained by the Regulatory Compliance Coordinator and in the FERM Team Central Files. FERM Team copies of prior versions of the Fuel Manual will also be stored electronically on the FERM Team Sharepoint site, in a clearly labeled folder separate from the most current version.

List of Documents

- Fuel Manual Revision Request Form (Appendix A)
- Record of Approved Fuel Manual Revisions (Appendix B)
- Example of Fuel Manual Revision Tracking (Appendix C)
- Example of Fuel Manual Revision FERM Team notification email (Appendix D)

Fuel Manual Revision Request Form

Please complete this form and return to Mark Peachey (mark.peachey@nspower.ca).

Author & Date	Section	Pg	Current Wording	Proposed Change	Reason for Change	Updated wording
John Doe Jan X, 20XX	Example: 14.3	30	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX

Record of Approved Fuel Manual Revisions

SUBSTANTIVE REVISIONS

No.	Date	Section	Pg	Current Wording	Proposed Change	Reason for Change	Updated wording	Approved By
1	Jan X, 20XX	14.3	30	XXXXXXXXXXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	Mark Sidebottom
2								Richard Janega
3								
4								
5								
6								
7								
8								
9								

ADMINISTRATIVE REVISIONS

Date	Section	Pg	Current Wording	Proposed Change	Reason for Change	Updated wording	Approved By
Jan X, 20XX	Example: 2.3	4	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXX	Mark Sidebottom
							Richard Janega

