

NON-CONFIDENTIAL

Request IR-1:

Please state the date(s) on which 324 NSL “purchased all of SkyPower’s assets and rights in the Digby project, as well as the outstanding development rights held by Partners Corporation” (Application, p. 3).

Response IR-1:

3240384 Nova Scotia Limited (324 NSL) purchased all of the assets and rights of SkyPower Corp. (SkyPower) in the Digby Project, as well as the outstanding development rights held by Scotian Windfield Partners Corporation (Scotian Partners) on December 23, 2009.

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Request IR-2:

Please provide the contracts and agreements through which 324 NSL purchased the assets and rights in the Digby project from Skypower and Scotian Windfields.

Response IR-2:

The following is a list of the contracts and agreements through which 324 NSL purchased the assets and rights in the Digby Project from SkyPower and Scotian Partners:

- (a) Purchase Agreement between SkyPower and 324 NSL and Emera Incorporated (Emera) as Guarantor dated October 23, 2009. Please refer to UARB IR-1, Attachment 30.
- (b) Amendment to Purchase Agreement between SkyPower and 324 NSL and Emera dated November 20, 2009. Please refer to UARB IR-1, Attachment 33.
- (c) Second Amendment to Purchase Agreement between SkyPower and 324 NSL and Emera dated December 17, 2009. Please refer to UARB IR-1, Attachment 37.
- (d) Approval and Vesting Order dated November 18, 2009. Please refer to UARB IR-1, Attachment 32.
- (e) Order Amending Approval and Vesting Order dated December 21, 2009. Please refer to UARB IR-1, Attachment 39.
- (f) Monitor's Certificate dated December 23, 2009. Please refer to UARB IR-1, Attachment 40.

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1 Response IR-2: (cont'd)

2
3 (g) Turbine Assignment and Consent Agreement among Interwind Corp. (formerly
4 SkyPower), 324 NSL, General Electric Company and General Electric Canada. Please
5 refer to UARB IR-1, Attachment 41.
6

7 (h) Assignment and Assumption of Power Purchase Agreement for Renewable Energy
8 between Interwind Corp. (formerly SkyPower), 324 NSL and Nova Scotia Power
9 Incorporated, dated December 23, 2009. Please refer to UARB IR-1, Attachment 42.
10

11 (i) General Conveyance and Assumption Agreement between Interwind Corp. (formerly
12 SkyPower) and 324 NSL dated December 23, 2009. Please refer to UARB IR-1,
13 Attachment 43.
14

15 (j) Assignment Indenture re Transmission Options between Interwind Corp. (formerly
16 SkyPower) and 324 NSL dated December 23, 2009. UARB IR-1, Attachment 44.
17

18 (k) Purchase Agreement between Scotian Partners and 324 NSL dated December 21, 2009.
19 Please refer to UARB IR-1, Attachment 45.
20

21 (l) General Conveyance Agreement between Scotian Partners and 324 NSL dated December
22 23, 2009. Please refer to UARB IR-1, Attachment 46.
23

24 (m) Assignment Indenture between Scotian Partners and 324 NSL dated December 23, 2009.
25 Please refer to UARB IR-1, Attachment 47.

REDACTED

Request IR-3:

Please provide the data and documents demonstrating that “the pricing offered by EUS to 324 NSL is superior to the other pricing offered to Skypower following its RFP for this project.” (Application p. 13)

Response IR-3:

Please find the following documents attached:

- Confidential Attachment 1 - Email, Stephane Desdunes, Skypower, December 7, 2009, Digby Construction Bid Proposals
- Redacted Attachment 2 - CBCL Limited - Bid Comparison, Project No.: 090630.00; Project: SkyPower Wind Power Project
- Confidential Attachment 3 – CBCL Limited, Emera Digby Wind Farm Power Project Construction Budget

CBCL provided SkyPower with an Engineer’s Estimate of [REDACTED] for construction services. SkyPower issued a tender on June 30, 2009. On or before July 23, 2009 eight bids were received by CBCL on SkyPower’s behalf. CBCL provided Skypower with a summary of the bids. Bids, before taxes, ranged between [REDACTED] (16 percent to 44 percent higher than the Engineer’s Estimate). SkyPower entered creditor protection before receiving the detailed bid documents from CBCL.

REDACTED

1 Response IR-3: (cont'd)

2
3 The initial Engineer's Estimate was based on a two-site turbine layout, with 14 turbines on the
4 western site and 6 turbines on the eastern site. The two sites were 2.5 kilometers apart. The
5 project was consolidated on the western site (all 20 turbines) to accommodate environmental
6 constraints. This provided some construction efficiencies, including a reduction in the
7 earthworks (for the foundations, crane pads, roads, etc.). Prior to NSPI purchasing the project
8 from 324 NSL, NSPI requested that 324 NSL engage CBCL to re-estimate the scope of work,
9 accounting for updated pricing, the new turbine layout, and revised civil works and electrical
10 requirements. The CBCL Engineer's Estimate before taxes was [REDACTED]. The estimate did
11 not include padmount transformers [REDACTED] nor project
12 management and engineering services [REDACTED]. The
13 sum of the revised Engineer's Estimate, plus padmount transformers, project management
14 services and engineering [REDACTED] The EUS contract is for [REDACTED]

15
16 To compare to the SkyPower tender results, the percent difference between the initial CBCL
17 estimate of [REDACTED] and the revised Engineer's Estimate of [REDACTED] is approximately
18 4.8 percent. If the responses in the SkyPower tender were reduced by a similar 4.8 percent, the
19 anticipated range from the same group of eight bidders could be expected to be between [REDACTED]
20 [REDACTED] when the estimates are adjusted to include padmount transformers,
21 project management and engineering services – all of which are included in the contract with
22 EUS.

Digby Wind Project (CI 39323, CI 39626, CI 39627, CI 39628) (NSUARB P-128.10)
NSPI Responses to CA Information Requests

REDACTED

Response IR-3: (cont'd)

	CBCL's Engineer's Estimate	SkyPower RFP Low Bid less 4.8%	SkyPower RFP High Bid less 4.8%	EUS Contract
	(\$)	(\$)	(\$)	(\$)
Revised Scope (-4.8%), including contingency				
Padmount transformers plus contingency				
Project Management & Engineering Services plus contingency				
Total, before taxes				
Variance to EUS Contract				

PROJECT NO.: 090630.00
PROJECT: SkyPower Wind Power Project

BID COMPARISON

11/1/2010

DESCRIPTION	QTY.	UNIT																	
Earthworks - (A)																			
1. Clearing	8	ha																	
2. Grubbing	26	ha																	
3. Mass Excavation and Embankmen																			
1 Common	224000	m³																	
2 Rock	130000	m³																	
4. Mass Excavation Unsuitable Material	10000	m³																	
5. Trench Excavation - Rock	1600	m³																	
6. Trench Excavation - Unsuitable Material	600	m³																	
7. Common Borrow	20000	m³																	
8. Granular Material																			
1 Type 1 Gravel	50000	t																	
2 Site Material (75mm Minus Stone)	120000	t																	
9. Culverts																			
1 450mm dia.	600	m																	
2 Box Culvert	1	m																	
10. Drilling Electrical Ground Well	1600	m																	
SUBTOTAL EARTHWORKS (A)																			
Wind Turbines Sites - (B)																			
11. Wind Turbine Generator (WTG) Foundations	20	Ea																	
12. Installation of Wind Turbine	20	Ea																	
13. Wind Turbine Site Electrical	20	Ea																	
SUBTOTAL WIND TURBINE SITES (B)																			
Electrical																			
14. Control Building	1	LS																	
15. Power Collection System	1	LS																	
16. Substation	1	LS																	
SUBTOTAL ELECTRICAL (C)																			
Commissioning																			
17. Commissioning	1	Ls.																	
SUBTOTAL COMMISSIONING (D)																			
Estimated Contract Price (Excluding HST) [(A)+(B)+(C)+(D)]																			
Contingency Allowance (E)																			
Subtotal [(A)+(B)+(C)+(D)+(E)]																			
HST																			
TOTAL																			

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Request IR-4:

Please provide the computation of each of the labour AO values for each of the four Digby projects in Appendix 2.

Response IR-4:

CI 39628 Interconnection

Total T&D Customer Operations (COPS) Regular Labour = \$135,722

Total T&D (COPS) Overtime Labour = \$29,703

095 COPS Regular Labour Administrative Overhead (AO) = $\$135,722 * 79.13\% = \$107,397$

095 COPS Overtime Labour AO = $(\$29,703/2) * 79.13\% = \$11,752$

092 Vehicle T&D Reg. Labour AO = $\$135,722 * 22.91\% = \$31,094$

092 Vehicle T&D Overtime Labour AO = $(\$29,703/2) * 22.91\% = \$3,402^{(1)}$

⁽¹⁾ Per Appendix 2, total is \$3,404. The difference is due to rounding.

CI 39627 Network Upgrades

Total T&D (COPS) Regular Labour = \$40,000

Total T&D (COPS) Overtime Labour = \$4,000

095 COPS Regular Labour AO = $\$40,000 * 79.13\% = \$31,652$

095 COPS Overtime Labour AO = $(\$4,000/2) * 79.13\% = \$1,583$

092 Vehicle T&D Reg. Labour AO = $\$40,000 * 22.91\% = \$9,164$

092 Vehicle T&D Overtime Labour AO = $(\$4,000/2) * 22.91\% = \458

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Response IR-4: (cont'd)

CI 39626 Substation

Total T&D (COPS) Regular Labour = \$22,000

095 COPS Regular Labour AO = $\$22,000 * 79.13\% = \$17,409$

092 Vehicle T&D Reg. Labour AO = $\$22,000 * 22.91\% = \$5,040$

CI 39323 Wind Project

Total T&D (COPS) Regular Labour = \$6,550

Total T&D (COPS) Overtime Labour = \$4,299

095 COPS Regular Labour AO = $\$6,550 * 79.13\% = \$5,183^{(1)}$

⁽¹⁾ Per Appendix 2, the total is \$5,181 and the difference is due to rounding.

095 COPS Overtime Labour AO = $(\$4,299/2) * 79.13\% = \$1,701$

092 Vehicle T&D Reg. Labour AO = $(\$6,550 + \$213) * 22.91\% = \$1,549$

Note: A manual adjustment was completed to move \$213 of COPS labour into this project, however, was incorrectly posted to 001 Regular Labour (No AO). The \$48 ($\$213 * 22.91\%$) in related AO was moved correctly.

092 Vehicle T&D Overtime Labour AO = $(\$4,299/2) * 22.91\% = \492

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Request IR-5:

Please explain the meaning of the abbreviation “COPS” in Appendix 2.

Response IR-5:

The "COPS" or "Customer Operations" group refers to a broad scope of employees including the following:

- Control Center Operations (includes System Control and Security; Energy Control and Dispatch Operators, and SCADA)
- System Maintenance (includes Substation Electricians, Technicians and Supervisory staff)
- Field Operations (includes Transmission and Distribution Power Line Technicians and Supervisory staff)
- Resource Management and Allocation (includes Operational Work Planning and Dispatch staff)
- Forestry
- Fleet Services
- Administrative/Business support staff and Management

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1 Response IR-5: (cont'd)

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3 The function of these groups is to manage and execute NSPI's day to day transmission and
4 distribution operations.

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Request IR-6:

Please explain the nature of the “Thermal & Hydro Contracts AO” in Appendix 2.

(a) Please explain whether these costs are an allocation of NSPI overheads, EUS overheads, or something else.

Response IR-6:

Thermal & Hydro Contracts AO is an allocation of NSPI overheads, at a rate of 6.55 percent on thermal and hydro (power production) contracts. Please refer to CA IR-7.

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Request IR-7:

Please provide the derivation of the “Thermal & Hydro Contracts AO” for the Digby Wind Project in Appendix 2.

(a) Please explain whether the method used for computing “Thermal & Hydro Contracts AO” has been approved by the NSUARB, and if so, in what docket.

Response IR-7:

Thermal & Hydro Contracts AO is 6.55 percent on thermal & hydro (power production) contracts. NSPI AO rates are calculated based on NSPI Accounting Policy 6230 Application of Administrative and Vehicle Overhead (Self Contracted Assets) and 6235 Application of Administrative Overhead (Contracted Assets). Please refer to Attachments 1 and 2 respectively. These two policies were originally included in the Accounting Policies and Procedures Manual approved by the UARB on April 23, 1998 (P-111.6). NSPI files updates to its Accounting Policies and Procedures Manual as appropriate. NSPI filed its entire Accounting Policies and Procedures Manual, which includes these two policies, on September 19, 2009. Each AO Rate is calculated annually based on the Accounting Policy and is filed with the Board in the Annual Capital Expenditure Plan.

PROPERTY, PLANT AND EQUIPMENT

APPLICATION OF ADMINISTRATIVE OVERHEAD (CONTRACTED ASSETS) - 6235



GENERAL

- 01 Overhead expenses are integral costs associated with the construction of capital assets. Generally accepted accounting principles state that the cost of a capital asset not only includes direct construction or development costs (such as materials and labour), but also overhead costs attributable to construction or development activities.¹
- 02 Although overhead costs are both real and substantial, they cannot be identified with specific capital projects or expenditures. For this reason, overhead costs that contribute to the capital program must be allocated to capital projects.
- 03 Several practices are widely used to allocate overhead costs, with the most common methods charging overhead to capital projects based on measures such as machine hours, labour hours, labour costs or some combination of the three. In a 1982 ruling, the Public Utilities Board approved the Company's application to apply overhead costs based on direct labour costs. The method has since been accepted by the UARB through its approval of capital work orders that have included a charge for overhead expenses that were calculated based on direct labour costs.
- 04 Although the application rate for externally contracted projects is based on the contracted costs, the Capital-related Overhead Expenses are determined using labour costs; therefore, the method is in accordance with Public Utilities Board's ruling.

POLICY

- 05 The Company should apply "Capital-related Overhead Expenses" to externally contracted capital projects based on the contract costs charged to those projects.

PROCEDURES

IDENTIFICATION OF DIVISIONS

- 06 The first step in the application of overhead costs to capital projects is the disaggregation of NSPI's **Annual Capital Expenditure Plan** (ACE Plan) into several broad areas of responsibility with similar project types as well as significant eligible overhead expenses. For the purposes of this Section, these areas will be referred to as "divisions". The three divisions presently identified by the Company are Customer Operations, Power Production and Shared Services.

¹CICA Handbook, 3061.20.

PROPERTY, PLANT AND EQUIPMENT

APPLICATION OF ADMINISTRATIVE OVERHEAD (CONTRACTED ASSETS) - 6235



DETERMINATION OF ELIGIBLE OVERHEAD EXPENSES

07 The next step is the identification of operating expenses that will benefit construction or development activities. A separate determination is made for each division. The process relies on budgeted expense figures since the overhead application rate for a particular fiscal year must be determined before the year commences.

08 Customer Operations Division

The nature of operating expenses in the Customer Service Division is primarily identified by the activity segment of the accounting *flex field*.² The budgeted expenses for all eligible activities are accumulated to obtain the divisional total.

09 Power Production Division

Eligible Overhead Expenses for Power Production include all costs incurred in the administration cost centres for all operational generating stations.

10 Shared Services Division

Eligible Overhead Expenses and rates are calculated for each Shared Services Division deemed to have capital related labour and expenses. These eligible expenses include, but are not limited to, office supplies, training, rent, membership dues, materials, etc.

DETERMINATION OF CAPITAL-RELATED OVERHEAD EXPENSES

11 Once the Eligible Overhead Expenses have been determined, the overhead expenses related to the Company's capital activities must be calculated. This calculation involves prorating the remaining eligible overhead expenses determined above based on contractor labour to total labour. For example, if the total estimated labour related to capital contracts plus the operating labour contained in NSPI accounts equalled \$100,000 and the labour related to contracts was \$10,000, then contract labour would be 10% of total labour. Therefore, 10% of the remaining eligible expenses would be Capital-related Overhead Expenses related to contracted assets.

²For a detailed discussion of the general ledger account structure, please refer to Section 3100.

PROPERTY, PLANT AND EQUIPMENT

**APPLICATION OF ADMINISTRATIVE
OVERHEAD (CONTRACTED ASSETS) - 6235**

- 12 The double application of the self-constructed overhead costs is avoided by applying the self-constructed rate to the Eligible Overhead Expenses determined above and then reducing those expenses by the result.

CALCULATION OF OVERHEAD APPLICATION RATE

- 13 Once the Capital-related Overhead Expenses have been determined, the overhead application rate can be calculated. The application rate is simply the quotient, expressed as a percentage, of the Capital-related Overhead Expenses divided by the contract costs. For example, if Capital related Overhead Expenses were determined to be \$1,000 and the total contract costs were \$100,000, then the Overhead Rate for contracted assets would be 1%. A separate calculation is performed for each division.

REVIEW OF OVERHEAD APPLICATION RATE

- 14 The overhead application rate will be reviewed on a periodic basis by Corporate Accounting Services to assess its reasonableness.

APPLICATION OF OVERHEAD

- 15 The overhead charged to a particular project is determined by multiplying the contract costs charged to the project by the overhead application rate related to the appropriate division. The charge is debited to a Capital Work Order while the credit is recorded in general ledger account 095 - Construction Overhead. This account is included in Operating, Maintenance and General Expenses

PROPERTY, PLANT AND EQUIPMENT

**APPLICATION OF ADMINISTRATIVE AND VEHICLE
OVERHEAD (SELF - CONSTRUCTED ASSETS) - 6230****GENERAL**

- 01 Overhead expenses are integral costs associated with the construction of capital assets. Generally accepted accounting principles state that the cost of a capital asset not only includes direct construction or development costs (such as materials and labour), but also overhead costs attributable to construction or development activities.¹
- 02 Although overhead costs are both real and substantial, they cannot be identified with specific capital projects or expenditures. For this reason, overhead costs that contribute to the capital program must be allocated to capital projects.
- 03 Several practices are widely used to allocate overhead costs, with the most common methods charging overhead to capital projects based on measures such as machine hours, labour hours, labour costs or some combination of the three. In a 1982 ruling, the Public Utilities Board approved the Company's application to apply overhead costs based on direct labour costs. The method has since been accepted by the UARB through its approval of capital work orders that have included a charge for overhead expenses that were calculated based on direct labour costs.

POLICY

- 04 The Company should apply "Capital-related Overhead Expenses" to capital projects based on the direct labour costs charged to those projects

PROCEDURES**IDENTIFICATION OF DIVISIONS**

- 05 The first step in the application of overhead costs to capital projects is the disaggregation of NSPI's **Annual Capital Expenditure Plan** (ACE Plan) into several broad areas of responsibility with similar project types as well as significant eligible overhead expenses. For the purposes of this Section, these areas will be referred to as "divisions". The three divisions presently identified by the Company are Customer Operations, Power Production and Shared Services.

DETERMINATION OF ELIGIBLE OVERHEAD EXPENSES

- 06 The next step is the identification of operating expenses that will benefit construction or development activities. A separate determination is made for each division. The process relies on budgeted expense figures since the overhead application rate for a particular fiscal year must be determined before the year commences.

¹CICA Handbook, 3061.20.

PROPERTY, PLANT AND EQUIPMENT

**APPLICATION OF ADMINISTRATIVE AND VEHICLE
OVERHEAD (SELF - CONSTRUCTED ASSETS) - 6230****07 Customer Operations Division**

The nature of operating expenses in the Customer Operations Division is primarily identified by the activity segment of the accounting flex field.² The budgeted expenses for all eligible activities are accumulated to obtain the divisional total. A separate allocation of head office rent is then added to the Division's eligible expenses.

Vehicle Overhead rate is calculated and applied separately. The budgeted expenses for all eligible operating expenses related to each vehicle class are identified. Customer Operations is the only area of NSPI that applies a separate A/O rate for vehicle expenses.

08 Power Production Division

Eligible Overhead Expenses for Power Production include all costs incurred by the Division's head office cost centres as well as the costs included in the administration cost centres for all operational generating stations. A separate allocation of head office rent is then added to the Division's eligible expenses.

09 Shared Services Division

Eligible Overhead Expenses and rates are calculated for each Shared Services Division, deemed to have capital related labour and expenses. These eligible expenses include, but are not limited to, office supplies, training, rent, membership dues, materials, etc. A separate allocation of head office rent is then added to the Division's eligible expenses.

10 HEAD OFFICE RENT

Head Office rent is allocated to the three operating divisions based on the square footage occupied by each division.

DETERMINATION OF CAPITAL-RELATED OVERHEAD EXPENSES

- 11 Once the Eligible Overhead Expenses have been determined, the overhead expenses related to the Company's capital activities must be calculated. This calculation involves prorating the eligible

²For a detailed discussion of the general ledger account structure, please refer to Section 3100.

PROPERTY, PLANT AND EQUIPMENT

**APPLICATION OF ADMINISTRATIVE AND VEHICLE
OVERHEAD (SELF - CONSTRUCTED ASSETS) - 6230**

overhead expenses determined above based on capital labour to total labour for both administrative and vehicle overheads.

CALCULATION OF OVERHEAD APPLICATION RATE

- 12 Once the Capital-related Overhead Expenses have been determined, the overhead application rate can be calculated. The application rate is simply the quotient, expressed as a percentage, of the Capital-related Overhead Expenses divided by the capital labour costs. A separate calculation is performed for each division.

REVIEW OF OVERHEAD APPLICATION RATE

- 13 The overhead application rate will be reviewed on an annual basis by Corporate Accounting Services to assess its reasonableness.

APPLICATION OF OVERHEAD

- 14 The overhead charged to a particular project is determined by multiplying the labour costs charged to the project by the overhead application rate. The charge is debited to a Capital Work Order while the credit is recorded in general ledger account 095 - Construction Overhead or account 092 – Vehicle Overhead. These accounts are included in Operating, Maintenance and General Expenses.

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Request IR-8:

Were any overheads included in the costs of any of the four Digby projects in Appendix 2 computed differently for costs incurred by 324 NSL than for costs incurred by NSPI?

(a) Please explain and quantify any such differences.

Response IR-8:

The Administrative Overhead (AO) rates included in the four Digby projects in Appendix 2 are specific to NSPI and applied only to NSPI costs with no AO allocated to costs associated with 324 NSL.

NON-CONFIDENTIAL

Request IR-9:

For each labour category in Appendix 2, please explain whether the labour is by NSPI employees, EUS employees, or someone else.

(a) If the labour is by NSPI employees, is it removed from NSPI's costs for revenue requirements purposes?

Response IR-9:

The labour categories in Appendix 2 are for NSPI employees only. These labour costs are included in the project costs used in the Levelized Cost Model and Economic Analysis Model, and are a component of the revenue requirement.

REDACTED

Request IR-10:

Please provide a breakdown of the “materials” line of Appendix 2 Page 3, showing separately each category of equipment or purchase exceeding \$1 million.

Response IR-10:

Materials include:

Category of Equipment	Purchases
Wind Turbines	
Foundations	
Overhead Line Construction	
Turbine Electrical	
Turbine Transformers	
Capital Spares	
Other	
Total	

REDACTED

Request IR-11:

Please provide a breakdown of the “Power Production Contracts” line of Appendix 2 Page 3, showing separately each category of equipment or purchase exceeding \$1 million.

Response IR-11:

Contracts include:

Category of Equipment	Purchases Exceeding \$1M
Turbine Shipment	
Project Management	
Roads	
Foundations	
Overhead Line Construction	
Turbine Installation	
Incentive	
Contingency	
Other	
Total	\$22,109,200

REDACTED

Request IR-12:

Please provide a breakdown of the “028 – Consulting” line of Appendix 2 Page 3, showing separately each contractor and the type of consulting service provided.

Response IR-12:

Consulting includes:

Type of Service	Consultant	Amount
Engineering/Wind Studies		
Impact Study Agreements		
Survey		
Environmental Studies		
Wind Studies		
Project Management Support		
Professional Consulting		
Professional Wind Consulting		
Environmental Services		
Other, including but not limited to:		
Professional Consulting		
Radar System Analysis		
Land Services		
Various Inspections		
Noise Assessment		
Community Relations		
Total		\$2,140,000

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Request IR-13:

Please provide an update to Appendix 11, Tables 4.1–4.4, to include data through September 2010, or the most recent available month.

Response IR-13:

NSPI has not updated the wind analysis since the Garrad Hassan “Assessment of the Energy Production of the Proposed Digby Wind Farm” was issued January 20, 2010.

Wind data used in the Garrad Hassan report was collected at the site from June 2007 to September 2009. The standard practice for assessing the wind regime involves the collection of data with meteorological towers installed on the project site for at least one year, and the correlation of the information to a longer term data source. For the Garrad Hassan report, data from the meteorological towers on the project site was correlated to data from Greenwood Meteorological Station June 1995 to October 2009.

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1 **Request IR-14:**

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3 **Please provide an update to Appendix 11, Tables 6.3–6.4, including data through**
4 **September 2010, or the most recent available month.**

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6 Response IR-14:

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8 Please refer to CA IR-13.

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Request IR-15:

For each value in to Appendix 11, Tables 6.5–6.6, that is computed other values in that table, please provide the formulae used to compute the dependent values.

Response IR-15:

In the uncertainty tables, the wind speed uncertainties (anemometer, period representing long-term, synthesis, correlation and extrapolation to hub height) are added as independent errors (root-sum-square basis). This total wind speed uncertainty is then converted to an energy uncertainty using the sensitivity factor (detailed in Note #1 below the table). This is then added with the energy uncertainties, again as independent errors (root-sum-square basis).

For example, in Table 6.5, adding the wind speed uncertainties on a root-sum-square basis yields an ‘overall historical wind speed’ uncertainty of 0.41 m/s. Multiplying this by the sensitivity factor (9.81 GWh /annum (m/s)) results in an equivalent energy uncertainty of 4.04 GWh/annum. Then, adding (root-sum-basis) the remaining energy uncertainties yields overall uncertainties of 7.38 GWh/annum (if 1 year future variability is used) or 5.40 GWh/annum (if the 10 year future variability is used).

There is a description of each of the line items in the Garrad Hassan report in Application Appendix 11. Please refer to page 56 of 99 in that report (Section 4 - Confidence analysis, of Appendix 1 - Data analysis procedure).

While most of these line items are empirical, the exceptions are:

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Request IR-15: (cont'd)

- Period representative of long-term: This is determined by taking the inter-annual variability of wind speed (assumed to be 6 percent) and dividing the root of n, where n is the number of years defining the long-term wind speed. In the case of the Digby site, 14.3 yrs of valid data was available from the Greenwood station. Therefore, $6/(14.3)^{1/2} = 1.6\%$.
- Synthesis and Correlation: These are determined by assessing the level of scatter in the correlations. This correlation standard error is then factored by the proportion of data that is synthesized.
- Wind-rose representative of long-term: It is assumed that, if at least 2 years of total valid data is available to define the shape of the frequency distribution, then this uncertainty is considered to be 0 percent.
- Future wind variability: This is calculated in the same way as the 'period representative of the long-term', except that it is a future wind speed uncertainty. For 1 year, this ends up being $6/(1)^{1/2} = 6\%$. For 10 years, this ends up being $6/(10)^{1/2} = 1.9\%$.

NON-CONFIDENTIAL

1 **Request IR-16:**

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3 **Appendix 15 and Application page 23, indicating the actual milestone dates or current**
4 **expectations.**

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6 Response IR-16:

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8 Please refer to UARB IR-12, Attachment 1 which provides the project schedule as of October
9 25, 2010. The project is expected to be in service by the end of 2010.

NON-CONFIDENTIAL

1 **Request IR-17:**

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3 **Please provide the spreadsheet(s) from which Appendix 16 was derived, with all formulae**
4 **intact.**

5
6 Response IR-17:

7
8 Please refer to UARB IR-16(a), Confidential Attachment 1 filed electronically.

NON-CONFIDENTIAL

Request IR-18:

Please provide the spreadsheet(s) from which Appendix 17 was derived, with all formulae intact.

Response IR-18:

Please refer to UARB IR-17(a), Confidential Attachment 1 filed electronically.

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Request IR-19:

Please provide a comparison of the capital costs of the Digby Project (and associated transmission, substation and interconnection costs) with the other NSPI-owned wind project from the 2007 solicitation (Nuttby and Point Tupper).

(a) Please provide the costs (in \$/MW or \$/turbine) for each such project equivalent to the “Power Production Contracts” line of Appendix 2 Page 3, and explain the differences among those costs.

Response IR-19:

NSPI did not undertake the requested analysis in the course of planning the Digby Wind Project. The economic merit of a capital work order is reflected in the total project cost per MWh over the life of the project. This information has been provided in the levelized cost analysis for each project as filed in the respective applications.

The costs associated with each project will vary significantly depending on factors such as:

- scale of project (number of MW for farm site)
- site layout (length of road network, etc.)
- transportation of materials (delivery point)
- turbine selection (wind class designation, name plate of individual turbine)
- foundation construction (geotechnical conditions, etc.)
- the extent of the electrical collection system required
- the balance of plant requirements

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1 Response IR-19: (cont'd)

2

- 3 • labour costs and arrangements
- 4 • transmission interconnection requirements
- 5 • the application of administrative overhead

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Request IR-20:

Please provide the Quarterly Development Reports for each project for the 4th quarter of 2009 and the 1st and 2nd quarters of 2010, to supplement what was provided in NSUARB P-172 and NSUARB P-128.09.

Response IR-20:

On October 23, 2009, in its response to CA IR-12 of the Nuttby Mountain Wind Project (NSUARB-NSPI-P-128.09), NSPI provided copies of the latest Independent Power Producer quarterly reports, summarizing project milestones. No further quarterly reports have been received for projects resulting from the 2007 RFP. The status of the projects is as follows:

Amherst Wind Power LP/ Acciona	Amherst	Amherst Wind Power has notified NSPI that the project is indefinitely stalled.
EarthFirst	Nuttby	This project has been purchased and constructed by NSPI and will be in service by the end of 2010.
Renewable Energy Services Ltd.	Point Tupper	NSPI became a co-owner of this project, which is now in service.
RMSEnergy	Dalhousie	This project is now in service.
RMSEnergy	Maryvale	This project is now in service.
Shear Wind	Glen Dhu	The last quarterly report submitted was for the quarter ending March 31, 2009. Construction has begun and the project is expected to be phased into service and be fully commissioned by March 31, 2011.
SkyPower	Digby	The last quarterly report submitted was for the quarter ending June 30, 2009. On August 12, 2009, SkyPower entered creditor protection (CCAA). This project will be in service by the end of 2010.