

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: THE *PUBLIC UTILITIES ACT*

- and -

IN THE MATTER OF: the Digby Wind Project

SUBMISSIONS FILED ON BEHALF

OF

NOVA SCOTIA DEPARTMENT OF ENERGY

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INTRODUCTION

1. On July 23, 2010 Nova Scotia Power Inc. (“NSPI”) applied to the Nova Scotia Utility and Review Board (“UARB”) for the approval of the Digby Wind Project, located near Gulliver’s Cove at the northeast end of the Digby Neck peninsula (“**Project**”). The UARB subsequently issued a formal notice inviting interested parties to participate in the application process. The Nova Scotia Department of Energy (“NSDOE”) appreciates the opportunity to participate in this process, and offers these submissions for the UARB’s consideration.

NSPI’s APPLICATION

2. Pursuant to s. 35 of the *Public Utilities Act*, NSPI seeks the UARB’s approval to include in its rate base, four capital work orders which constitute the Project, with a combined forecast cost of \$82.8 million.

3. In addition, NSPI has requested the UARB approve certain affiliated transactions, under NSPI’s *Code of Conduct Governing Affiliate Transactions* (“**Code of Conduct**”). The Code of Conduct was approved by the UARB on February 24, 2009 and became effective on June 1, 2009.

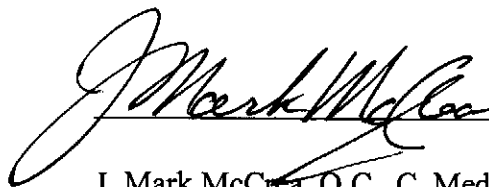
4. In its Application, NSPI has stated that as a result of the Project (pg’s 25 and 26, Application, Exhibit N-1):

- The levelized cost to consumers over the analysis period is forecast to equal \$86.71/MWh;
- 30 MW of wind turbine generation will be added to the NSPI system by the end of 2010;
- The project will annually generate an average of 110 GWh, approximately one percent of NSPI’s total system load;
- An important element of NSPI’s 2013 RES compliance program will be placed in service;
- The cost of the Project will be lower than the original PPA for this site;
- Customers will achieve a savings compared to replacement renewable energy of approximately \$4.9 million.

SUBMISSIONS

5. The Digby Wind Project provides a significant contribution to the RES obligation of NSPI and is anticipated to provide good value for ratepayers. NSDOE submits the UARB's hearing and procedures have provided an opportunity for all participants to participate and has provided valuable discussion regarding the issues and information that will assist the Board in making a fair and reasonable decision in the best interest of ratepayers. NSDOE looks forward to receiving and supports the UARB's decision.

All of which is respectfully submitted this 14th day of January, 2011.



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