

NOVA SCOTIA UTILITY AND REVIEW BOARD**IN THE MATTER OF THE PUBLIC UTILITIES ACT**

- and -

IN THE MATTER OF the Application of the **Town of Lunenburg** on behalf of its **Electric Utility** for approval of a change to the flow through formula used to calculate amendments to its Schedule of Rates for the provision of electric services to its customers to recover costs incurred as a result of rate increases granted to Nova Scotia Power Incorporated ("NSPI").

**BEFORE:**

Peter W. Gurnham, Q.C., Chair

ORDER

WHEREAS the **Town of Lunenburg**, on behalf of its **Electric Utility**, (the "Applicant", the "Lunenburg Electric Utility") made application to the Nova Scotia Utility and Review Board (the "Board") on August 27, 2010, to amend the formula used to calculate its Schedule of Rates and Charges to allow the Lunenburg Electric Utility to pass through by formula to its customers changes as approved from time to time by the Board to NSPI's Municipal Rate Class;

AND WHEREAS the change to the formula will allow the Lunenburg Electric Utility to consider factors that are affecting current year's purchase and sales forecasts and will allow the Lunenburg Electric Utility to more accurately meet revenue requirements;

AND WHEREAS the same formula is presently utilized by another municipal utility to calculate the flow through rate change at that utility;

AND WHEREAS the Board has carefully considered the application and is satisfied that the proposed formula provides a fair and reasonable method to permit the Applicant to pass through the increased cost of electric service to its customers;

IT IS HEREBY ORDERED that the formula to recover costs incurred as a result of rate increases granted to NSPI be amended as follows:

Nova Scotia Power Inc. (NSPI) Municipal Rate Class Increases

In order to recover increased costs due to NSPI increases and upon notice by the Lunenburg Electric Utility to the Nova Scotia Utility and Review Board, (the Board), the Board may amend the Rates for Domestic Service, Small General, General, Large General, Domestic Service Time-of-Day (Optional) and Street and Yard Lighting based on the following formula, without the necessity of a public hearing.

$$1) \quad A \div B = C$$

$$2) \quad C \times D = E$$

A = Forecasted power purchase cost from NSPI for the test year;

B = Forecasted Electric Rate Revenue from the above classes for the test year;

C = Percent, expressed as 00.00;

D = NSPI approved increase percent, expressed as 00.00;

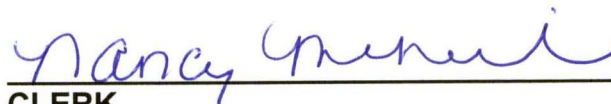
E = Average percentage change required to the Lunenburg Electric Utility's rates to recover its purchased power cost.

IT IS FURTHER ORDERED that the Lunenburg Electric Utility, when submitting a request for a change in its Schedule of Rates for Electric Supply and Services, shall provide a comprehensive summary of the forecasted purchase and sales amounts and compare the results with the actual purchase and sales amounts for the previous two years along with an analysis of the difference in the amounts.

IT IS FURTHER ORDERED that the Board approved Schedule of Rates for Electric Supply and Services for the Lunenburg Electric Utility with the above flow through formula, attached hereto as Schedule "A", be approved effective November 1, 2010.

DATED at Halifax, Nova Scotia, this 19th day of October, 2010.

BY ORDER OF THE BOARD



 CLERK

SCHEDULE A**LUNENBURG ELECTRIC UTILITY****SCHEDULE OF RATES FOR ELECTRIC SUPPLY & SERVICES**

(Effective for services rendered on and after November 1, 2010)

RATES

All bills are due and payable when rendered. All unpaid accounts are subject to overdue interest charges in accordance with Regulation 5.2 - "Payment of bills, overdue interest charges, and returned payment charge".

In this Schedule, the word "Town" means the Town of Lunenburg.

"Nova Scotia Power Inc. (NSPI) Municipal Rate Class Increases"

In order to recover increased costs due to NSPI increases and upon notice by the Lunenburg Electric Utility (the "Utility") to the Nova Scotia Utility and Review Board, (the "Board"), the Board may amend the Rates for Domestic Service, Small General, General, Large General, Domestic Service Time-of-Day (Optional), and Street and Yard Lighting based on the following formula, without the necessity of a public hearing.

1) $A \div B = C$

2) $C \times D = E$

A = Forecasted power purchase cost from NSPI for the test year;

B = Forecasted Electric Rate Revenue from the above classes for the test year;

C = Percent, expressed as 00.00;

D = NSPI approved increase percent, expressed as 00.00;

E = Average percentage change required to the Lunenburg Electric Utility's rates to recover its purchased power cost.

**Nova Scotia Power Inc. ("NSPI") Municipal Rate Class Adjustments to
Demand Side Management and Fuel Adjustment Mechanism**

In order to recover Demand Side Management ("DSM") and Fuel Adjustment Mechanism ("FAM") adjustments due to Nova Scotia Power Inc. ("NSPI") approved DSM and FAM adjustments and upon notice by the Council of the Town of Lunenburg to the Nova Scotia Utility and Review Board (the "Board"), the Board may amend the kWh Rates for Domestic Service, Small General, General, Large General, Domestic Service Time-of-Day (Optional) and Street and Yard Lighting based on the following, without the necessity of a public hearing.

For Domestic Service, Small General, General, and Large General, the following formula will apply:

$$A + B = C$$

$$C \times D/100 = E$$

$$E/F \times 100 = G$$

A = NSPI DSM Rate to Municipal Class (cents per kWh)

B = NSPI FAM Rate to Municipal Class (cents per kWh)

C = Net NSPI adjustment (cents per kWh)

D = kWh purchases from NSPI for previous complete fiscal year

E = Total cost adjustment on annual purchases from NSPI

F = kWh sold by Municipal Electric Utility for previous complete fiscal year

G = Adjustment to Municipal electric Consumption Rates as a result of DSM and FAM charges (cents per kWh)

For Street and Yard Lighting Categories the following formula will apply:

$$A \div B = C$$

$$C + D = E$$

$$E \times B = F$$

A = Current monthly street light charge

B = NSPI rate schedule monthly kWh per month for each street light category

C = Current street light charge per kWh

D = kWh adjustment (in cents per kWh) due to FAM or DSM

E = Adjusted street light charge per kWh

F = Adjusted monthly street light rate

For Domestic Time of Use Rates the following will apply:

On peak charges are twice the Regular Domestic tail block rate;
Shoulder charges are equal to the Regular Domestic tail block rate;
The off-peak charges are set using the following formula:

$$A + B = C$$

$$C \times D = E$$

A = Current kWh purchase price from NSPI

B = kWh adjustment (in cents per kWh) due to FAM or DSM

C = adjusted kWh purchase price from NSPI

D = 4% loss factor

DOMESTIC SERVICE

Service Charge: \$9.61 per month.

Energy Rates: 10.965 cents per kilowatt hour for the first 200 kilowatt hours per month.

9.845 cents for all additional consumption, but in no case shall the average price per kilowatt hour on the whole bill, including the service charge, be less than 10.625 cents in any billing period.

Minimum Bill: \$9.61 per month.

Availability: The Domestic rate shall be applicable to electric energy used by a customer in his private residence for household lighting, cooking, heating, refrigeration, or other household appliances. Where part of the customer's premises are used for other than residential purposes, and non-residential loads do not exceed 500 watts, the whole premises may be supplied under the Domestic rate.

SMALL GENERAL

Base Charge: \$10.57 per month.

Energy Rates: 9.845 cents per kilowatt hour for all consumption.

Minimum Bill: \$10.57 per month.

Availability: The Small General rate shall be applicable to power and energy where energy use does not exceed 12,000 kWh/year.

GENERAL

Demand Charge: \$7.20 per month per kW of maximum demand.

Energy Charge: 12.285 cents per kW hour for the first 100 kW hours per month per kW of maximum demand.

8.165 cents per kilowatt hour for all additional consumption.

Minimum Bill: \$21.20 per month or the demand charge, whichever is the greater.

Availability: The General rate shall be applicable to power and energy where consumption exceeds 12,000 kWh/year, maximum demand does not exceed 250 kW and other rates are not applicable.

LARGE GENERAL

Demand Charge: \$8.54 per month per kilowatt of maximum demand.

10.435 cents per kW hour for the first 100 kilowatt hours per month per kilowatt of maximum demand.

7.425 cents per kW hour for all additional consumption.

Minimum Charge: \$8.54 per kilowatt of maximum demand.

Availability: The Large General rate shall be applicable to power and energy where demand exceeds 250 kW and other rates are not applicable.

DOMESTIC SERVICE TIME-OF-DAY RATE (OPTIONAL)

BASE CHARGE

\$18.21 per month

ENERGY CHARGE:

December, January and February

07:00 am to 1:00 pm	19.69 cents per kilowatt hour
1:00 pm to 4:00 pm	9.845 cents per kilowatt hour
4:00 pm to 10:00 pm	19.69 cents per kilowatt hour
10:00 pm to 7:00 am	6.47 cents per kilowatt hour

The above rates apply weekdays (Monday through Friday inclusive), excluding statutory holidays. For Saturdays, Sundays, and statutory holidays, all consumption will be billed at the rate of 6.47 cents per kWh.

March to November

7:00 am to 10:00 pm	9.845 cents per kilowatt hour
10:00 pm to 7:00 am	6.47 cents per kilowatt hour

The above rates apply weekdays (Monday through Friday inclusive), excluding statutory holidays. For Saturdays, Sundays, and statutory holidays, all consumption will be billed at the rate of 6.47 cents per kWh.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be \$18.21

AVAILABILITY

This rate is only available to customers employing Electric Thermal Storage (ETS) equipment and electric in-floor radiant (i. e. hydronic) heating systems utilizing time shifting technology approved by the Utility.

STREET AND YARD LIGHTING

(High Pressure Sodium - Fixture supplied by the Utility)

70 watt High Pressure Sodium	\$11.14 per lamp per month
100 watt High Pressure Sodium	\$12.22 per lamp per month
150 watt High Pressure Sodium	\$13.55 per lamp per month
200 watt High Pressure Sodium	\$15.38 per lamp per month
400 watt High Pressure Sodium	\$25.04 per lamp per month

AVAILABILITY:

The Street and Yard Lighting rate shall be applicable to the supply of outdoor illumination on a dusk-to-dawn schedule involving approximately 4,000 hours burning time per year and shall include maintenance of equipment and lamp renewals.