**ORDER** **NSUARB-NSPI-P-141-26**

## NOVA SCOTIA UTILITY AND REVIEW BOARD

**IN THE MATTER OF THE *PUBLIC UTILITIES ACT***

- and -

**IN THE MATTER OF THE REQUEST BY NOVA SCOTIA POWER INCORPORATED FOR APPROVAL OF AN ENERGY CHARGE FOR THE OPTIONAL GENERATION LOAD FOLLOWING RATE OF THE GENERATION REPLACEMENT AND LOAD FOLLOWING TARIFF**

**BEFORE:** Margaret A. M. Shears, Q.C., Vice-chair

## ORDER

**WHEREAS** by Order dated December 15, 2009, the Nova Scotia Utility and Review Board (the "Board") approved the Optional Generation Load Following Rate of the Generation Replacement and Load Following Rate ("GRLF") at a price of 6.584 cents per kWh for power and energy supplied by the Company on and after January 1, 2010;

**AND WHEREAS** the current Optional Generation Load Following Rate for the GRLF Rate is due to expire on December 31, 2010;

**AND WHEREAS** by letter dated November 5, 2010, Nova Scotia Power Inc. ("NSPI") applied for approval of changes to the GRLF rate;

**AND WHEREAS** by letter dated November 23, 2010, the Board directed NSPI to refile its application for approval of the 2011 Annually Adjusted Rates (AARs) as a result of its decision [2010 NSUARB 219] on the Fuel Adjustment Mechanism Base Cost of Fuel ("BCF") Application to reflect the adjusted BCF and to confirm that customers who take service under this tariff have been notified of the proposed changes to the tariff and advised that they will have two weeks after NSPI's revised filing to make any reply submissions to the Board;

**AND WHEREAS** on December 8, 2010, NSPI filed its revised application for approval of the 2011 AARs and confirmed that all customers currently taking energy under the GRLF tariff, or eligible to take energy under the GRLF tariff in 2011 have received the non-confidential AAR information;

**AND WHEREAS** no submissions were filed with the Board.

**AND WHEREAS** NSPI, in its December 8, 2010 filing, applied for approval of changes to the GRLF rate on the basis that the incremental cost of generation for the period from January 1, 2011 to December 31, 2011, including transmission losses, will be 5.726 cents per kWh and in addition an adder covering operating and maintenance costs, service charges and administration and general compensation will continue to be 0.500 cents per kWh;

**AND WHEREAS** this rate of 6.226 cents per kWh will be in effect until December 31, 2011;

**IT IS THEREFORE ORDERED** that the rate of 6.226 cents per kWh, as set forth in Schedule "A" attached, be approved by the Board as the rate to be charged for the period January 1, 2011 to December 31, 2011.

**DATED** at Halifax, Nova Scotia, this 23rd day of December, 2010.

Nancy McNeil

Clerk of the Board

JWM

*NOVA SCOTIA POWER INCORPORATED*

*GENERATION REPLACEMENT AND LOAD FOLLOWING TARIFF*

**RATE:**

Backup Service:

The actual or estimated average time coincident incremental cost of generation including transmission losses for the period service is provided plus 0.500 cents per kW.h for additional Operating and Maintenance costs, service charges and Administration & General compensation.

Optional Generation Load Following:

Average incremental cost of generation expressed in cents per kW.h as determined by the generation forecast for the rate year plus add on charges as defined for back-up service. This price will be 6.226 cents per kW.h for the period January 1, 2011 to December 31, 2011.

**AVAILABILITY:**

This tariff is available to:

(a) customers who have their own generation equipment, normally used to support their own load, of not less than 2 000 kW of net continuous capability and which is connected to the low voltage side of the bulk power transformer;

(b) energy supplied under the Mersey System tariff over and above the Basic Block; and

(c) energy supplied to Non-Utility Owned Generation sites for purposes of startup and replacement of energy normally supplied from their own generation,

where the customer has signed an operating agreement under this tariff schedule. The following general terms and conditions will apply to the applications.

(1) Energy under the back-up service provision will be supplied upon request by the customer. In cases where advance written notification can be given by the customer, such as planned maintenance, the Company will advise the customer in writing of the quoted price which will be based on estimated costs during the period. In an emergency situation where time does not permit advance notification the price will be based upon actual costs until the customer provides written notification of the duration of the taking following which the Company will advise the customer in writing of the quoted price for the remainder of the period.
Energy under the load following section will be supplied either through on-going communication provision such as telemetering (when load fluctuations are involved) or written requests (where application is to a specific level of load).

(2) The backup supply of power will be on a best efforts basis where the customer's generation equipment is removed from service due to scheduled maintenance, forced

outage, or loss of fuel supply.

(3) Supply of power under the tariff may be withdrawn under the criteria as provided for under the Interruptible Rider to the Large Industrial Tariff.

(4) The load following provision will be applied where the customer's process limitations affect the ongoing loading of their own generator.

(5) Customers must install metering equipment to monitor the output of the customer's generation. The equipment and installation must be approved by the Company and the costs will be the responsibility of the customer.

**SPECIAL CONDITIONS:**

(1) The Company reserves the right to have a separate service agreement, if in the opinion of the Company issues not specifically set out herein, must be addressed for the ongoing benefit of the Company and its customers.

(2) The customer will make all necessary arrangements to ensure that its load does not unduly deteriorate the integrity of the power supply system, either by its design and/or operation.

Specific requirements shall be stipulated by way of a written operating agreement.

(3) In assessing issues which might unduly affect the integrity of the power supply system the following would be considered: reliability, harmonic voltage and current levels, voltage flicker, unbalance, rate of change in load levels, stability, fault levels and other related conditions.

(4) Any service requirements beyond those provided by a single step-down transformation from transmission voltage must be borne by the customer.

(5) The Company reserves the right to determine the metering location.

*NOVA SCOTIA POWER INCORPORATED*

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## GENERATION LOAD FOLLOWING CRITERIA:

(1) Two months preceding each tariff year the customer, in conjunction with the Company, shall establish the net continuous capability of its generation equipment based upon tests or operating records. For each billing month of the tariff year the Company will load follow to the equivalent of one hundred (100) percent load factor of the net continuous capability in each hour that the customer generation does not exceed its net continuous capability.

(2) On or before November 7th preceding each tariff year the Company shall apply to the Nova Scotia Utility and Review Board for approval of its forecasted incremental cost of generation for the following tariff year. Such average forecasted incremental cost shall be included in determining the load following rate for the next tariff year and each affected customer shall be notified.

(3) In addition, if after having exercised the Company's rights under the operational criteria of the non firm applications, the Company finds that it requires the output of the customer's generation to satisfy these criteria, the customer shall upon reasonable notice (typically one hour):

(a) operate his power generation equipment at it's net continuous capability or at a lower level as determined by process and steam availability and agreed to by the Company.

(b) provide excess output to the Company after satisfying its own needs of generation under paragraph (a) above.

(c) provide all such output to the Company at a cost equivalent to the Company's average time coincident incremental cost of generation price under this rate.

Failure to comply with the provisions set out in criteria 3(a), 3(b) and 3(c) three times in any one tariff year shall result in termination of service under the Optional Generation Load Following section of the Tariff for two (2) years.