ORDER NSUARB-NSPI-P-141-31

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 THE MONTHLY CUSTOMER CHARGE FOR THE WHOLESALE MARKET BACKUP/TOP-UP SERVICE 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 Wholesale Market Backup/Top-Up Service Tariff monthly customer charge at a rate of $3,656.25 per month on and after January 1, 2010;

AND WHEREAS the monthly customer charge shall be developed annually based on budgeted costs and submitted to the Board for approval;

AND WHEREAS by letter dated November 5, 2010, Nova Scotia Power Inc. ("NSPI") applied for approval of the monthly charge for the Wholesale Market Backup/Top-Up Service Tariff;

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 advised that no customers were currently taking energy under the Wholesale Market Backup/Top-Up Service Tariff;

AND WHEREAS NSPI, in its December 8, 2010 filing, applied for approval of the monthly customer charge for the Wholesale Market Backup/Top-Up Service Tariff as follows:

Monthly Customer Charge for the Wholesale Market Backup/Top-Up Service Tariff	$3,656.25

AND WHEREAS the monthly customer charge of $3,656.25 has been calculated in accordance with prior approvals and is based on projected expenses for 2011;

AND WHEREAS this monthly customer charge will be in effect from January 1, 2011 to December 31, 2011;

IT IS THEREFORE ORDERED that the monthly charge, as set forth in Schedule "A", be approved by the Board as the monthly charge 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

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CUSTOMER CHARGE

The monthly customer charge under this tariff is calculated according to the following formula:

$$\text{Monthly customer charge} = \frac{\text{forecast annual administration costs}}{\text{forecast number of customers subscribed} * 12}$$

This charge will be $3,656.25 per month for the period January 1, 2011 to December 31, 2011.

DEMAND CHARGE

$5.286 per month, per kilowatt (kW) of billing demand measured on an average hourly basis.

Contracted firm demand requirement is defined as the demand (kW) requested by the wholesale customer (or aggregate customer group) and agreed to be supplied by NSPI. This may constitute all, or a portion of the demand contracted to be served on a primary basis by a third party supplier. Billing demand is determined based upon the following formula:

Billing demand = (PR * min(CD, CF * GC)) + (CD – min(CD, CF*GC))

Where: PR is Planning Reserve (based on NPCC planning criteria, i.e., 20% or as updated)

GC is the third party supplier's generating capacity

a) For non-dispatchable generation, GC = MSC, the Maximum Spill Capacity as defined in Wholesale Market Non-Dispatchable Supplier Spill Tariff.
b) For dispatchable generation, GC = the supplier's maximum capacity contracted to provide its wholesale customers' demand

CD is the customer's Contract Demand

CF is the capacity factor associated with the third party supplier's generation

ENERGY CHARGE

The energy charge shall be the Company's forecast average annual marginal energy costs as approved for use with the GRLF rate.

MINIMUM MONTHLY CHARGE

The minimum monthly charge will be the customer charge plus the demand charge.

AVAILABILITY:

The tariff is available to wholesale customers as defined in section 2(b) of the Electricity Act,

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Chapter 25 of the Acts of 2004.

" (b) "wholesale customer" means Nova Scotia Power Incorporated, the electric utilities of the

towns of Antigonish, Berwick, Canso, Lunenburg and Mahone Bay and The Electric Light Commissioners for Riverport, in the County of Lunenburg.",

The tariff is applicable to the *scheduled* backup\top-up load of participating customers under the following terms and conditions:

(1) The wholesale customer has provided written notice of its intent to take service under this tariff, clearly identifying the following:

- a. The Municipal utility or utilities for which service is being requested.
- b. The year for which service is being requested.
- c. The contract demand (kW) required for backup and top-up service.
- d. The portion of the customer's annual load contracted to be supplied by third party suppliers or through self-supply
- e. The names, addresses, contact details and supply arrangements associated with contracted third party suppliers

Backup\top-up service will be subscribed on a minimum 12 month, annual-renewable basis. Applications for service must be provided annually to NSPI by January 31st of each year, for service applicable to the subsequent year.

(2) Adequate metering equipment, as dictated by the Generation Interconnection Agreement, must be installed to monitor the generation of any third-party generators selected for use by the wholesale customer. The equipment and installation must be approved by the Company and the costs will be the responsibility of the generator.

SPECIAL CONDITIONS:

(1) This tariff is designed for customers supplied and metered at the high side of the transformer at transmission voltage of 69 kV or higher. For customers metered at the low side of the transformer, or at a distribution voltage level, meter readings shall be increased by 1.75% for each transformation between the meter and the transmission voltage.

(2) The charges under this rate do not reflect transmission service costs. Customers taking service under this tariff must also take service under OATT.

(3) For system reasons, NSPI may, at its discretion, deny an application for service from a customer who has not taken service from NSPI in the year prior to the year requested.

(4) 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.

(5) 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. These specific requirements shall be stipulated by way of a written operating agreement.

(6) 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.