



Nova Scotia Utility and Review Board

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January 6, 2000

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Department of Natural Resources
2nd Floor, Founders Square
1701 Hollis Street
P. O. Box 698
Halifax, NS B3J 2T9

Attention: The Honourable Ernest L. Fage, Minister

Dear Mr. Minister:

Nova Scotia Power Inc. - Load Retention Rate Hearing - P-871

This is in reply to your letter of December 21, 1999, which, unfortunately, was not received by the Board until January 5, 2000.

I immediately forwarded your letter to Board Counsel, Bruce Outhouse, Q.C., and he subsequently advised me that he had spoken with your Deputy Minister, Dan Graham, concerning same. I understand from Mr. Outhouse that the Department does not wish to be an intervenor at the hearing or to take any particular position with respect to the load retention rate being proposed by NSPI. Rather, the purpose of your letter was to express the Department's concerns about the process being followed.

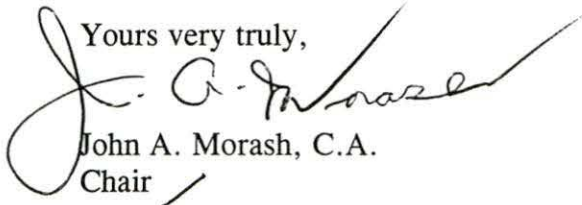
The Board acknowledges that the hearing schedule is rather tight. This is because it has been represented to the Board that at least one of NSPI's major customers is nearing a decision point with respect to whether or not it will construct its own generation plant.

Seven stakeholders have filed notice that they intend to participate in the hearing as formal intervenors. They are Cape Breton Regional Municipality, Stora Enso Port Hawkesbury, Irving Oil Limited, Nova Scotia Municipal Electric Utilities Co-operative, Integrated Energy Systems, Sempra Atlantic Gas and Industrial Cape Breton Board of Trade. Mr. Outhouse advises me that,

while a lawyer representing one of the intervenors has made some complaint about the compressed hearing schedule, none of the intervenors have indicated that they are unable to adequately prepare for the hearing and none have requested that the hearing be delayed. Further, no one has contacted the Board indicating that they wished to participate in the hearing but were prevented from doing so due to time constraints.

Under the circumstances, given that there appears to be no prejudice to any of the participants, it is the Board's intention to proceed with the hearing as scheduled. Naturally, if unforeseen difficulties arise and there is a request for adjournment, then the Board will deal with that issue after receiving submissions from the parties.

Yours very truly,

A handwritten signature in black ink, appearing to read "John A. Morash". The signature is fluid and cursive, with a large initial "J" and "M".

John A. Morash, C.A.
Chair

c.c. The Honourable Michael Baker, Minister of Justice
The Honourable Gordon Balser, Minister Responsible for the Petroleum Directorate
Mr. David Mann, President and Chief Executive Officer, NSPI