

April 4, 2012

**By Electronic Delivery**

#55246-SF

Ms. Nancy McNeil  
Regulatory Affairs Officer/Clerk  
Nova Scotia Utility and Review Board  
3rd Floor, Summit Place  
1601 Lower Water Street  
Halifax, Nova Scotia B3J 3P6

Dear Ms. MacNeil:

**Re: NSUARB-E-ENSC-R-12 – Request for Hearing Adjournment**

Upon filing its Responses to Information Requests (RIRs) on Friday March 30, 2012, ENSC found what appeared to be a limited formula error in Navigant Consulting's Energy Efficiency Resource Assessment Model (referenced as "the RAM Tool").

Following notification and extensive review over the weekend, Navigant confirmed and corrected what appeared to be a limited error that affected both TRC and PAC tests and lifetime benefit figures only – not program budgets or cost allocations. ENSC was in the process of completing revisions to a handful of RIRs and the four (4) key tables in Evidence for filing yesterday.<sup>1</sup>

Unfortunately, in the process of confirming to ENSC that all other aspects of the RAM Tool were correct, Navigant has now confirmed additional errors which appear to have a broader impact than they initially advised. Navigant have explained that the source of the problem is a duplication error in using the NTG (Net-to-Gross) factor within this year's RAM Tool.

ENSC is unable to confirm, at this time, the exact impact of the errors that Navigant have identified. However, we have been advised as of yesterday afternoon that they likely extend beyond the initial limited scope into all areas of the Evidence that ENSC has filed to date, including individual program and total annual budgets (which will

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<sup>1</sup> Figures 4.1, 4.2, 4.3 and 4.4 on pages 18, 19, 20 and 21 respectively of the Evidence (also included as Figures 1.1, 1.2, 1.3 and 1.4 on pages 4, 5, 6 and 7 respectively in Appendix A)

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then require revisions to the preliminary cost allocations and bill and rate impacts prepared by Elenchus Research Associates).

ENSC is working closely with Navigant to resolve as quickly as possible the errors that have been identified. However, it became clear yesterday that this process will require some additional time, both to confirm that all errors have been identified and fixed within the RAM Tool, and then to re-generate the necessary data that forms the basis of each DSM program, flowing into proposed program and annual budgets, TRC and PAC test results, and preliminary cost allocations by Elenchus.

### **Request for Adjournment – Rule 22(7)**

ENSC is committed to transparency and open communication, and a fair hearing process. In light of this development yesterday, we spoke with Board Counsel, Bruce Outhouse, to review the issues and seek guidance, considering the tight time-lines of the remaining schedule leading to the current hearing dates.

Assuming the scope of changes required is as extensive as Navigant have advised yesterday, then it appears necessary to reschedule the DSM hearing, to ensure that:

1. ENSC has the time required to complete a full review with Navigant of the RAM Tool and ensure no further errors are present;
2. ENSC and its consultants can then generate all necessary changes to Evidence, and RIRs already filed, and provide these to the Board and Participants for review;
3. ENSC, the Board and Participants can then determine what adjustments to the hearing schedule may be required, such as an additional round of IRs flowing from the revised filing, leading to new dates for Intervenor Evidence and the hearing itself.

Needless to say, ENSC as the Applicant in this proceeding regrets the necessity and inconvenience to all parties of requesting an adjournment of the hearing from the Board. Pursuant to Rule 22(7), “a hearing may be adjourned from time to time by the Board on reasonable grounds on its own motion or by the request of any party”.

In the interests of all Participants and DSM stakeholders, however, we respectfully submit an adjournment is necessary and reasonable under the circumstances that ENSC is now facing, to promote confidence in the integrity of required DSM Evidence and ensure fairness in the hearing process.

Finally, ENSC has ordered a report, to be provided by Navigant once these matters are resolved, that will fully explain the formula errors identified within the RAM Tool, the scope of changes required to the DSM Evidence, and provide confirmation to ENSC, the Board and all Participants that such errors have been corrected.

As soon as we have sufficient, reliable information to confirm when ENSC may be in a position to file all necessary revisions to the Evidence and RIRs, we will further advise the Board and Participants. We look forward to the Board's decision and further direction.

A copy of this letter is also being provided by electronic mail to all Participants.

Yours very truly,

**WICKWIRE HOLM**



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Cc: Efficiency Nova Scotia Corporation  
Participant List (E-ENSC-R-12)