P-886 ORIGINAL Exhibit-N-44

Nova Scotia Utility and Review Board

IN THE MATTER OF *The Public Utilities Act,* R.S.N.S. 1989, c.380, as amended

- and -

IN THE MATTER OF an Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

NSPI IR RESPONSES

CA 76 -136

MEUNSC 23 – 26

SEB 144 - 191

RECEIVED
JAN 17 2007
Nova Scotia Utility and Review Board

Volume 1

January 17, 2007

Redacted

ORIGINAL

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA **REDACTED**

Question IR-76: **Provide Accenture's proposal to conduct this project for NSPI including the cost of the project and qualifications of personnel that would conduct the work.**

Response IR-76: Please refer to Confidential Attachment 1.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-77: **Provide the detailed work plan for this project. Was this work plan reviewed and approved by NSPI? If so, please identify who signed off and when it was approved.**

Response IR-77: Please refer to CA IR-76.

Greg Blunden, CA, Treasurer & General Manager, Finance signed the engagement letter on November 14, 2006.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-78: **Identify each individual utilized by Accenture in the preparation of the report.**

Response IR-78: Individuals utilized by Accenture in the preparation of the report include:

James Hendrickson
Doug McCarthy
Greg Anderson
Paul De Guida
Mikki Lee
Yih-han Ma

Other Subject Matter Advisors within Accenture assisted in providing expertise, recommendations, and review of findings as necessary.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-79: **Provide resumes for each individual identified in response to IR-3.**

Response IR-79: Please refer to Attachment 1.

James C. Hendrickson – Engagement Partner

Background:

Jim is the Senior Executive leading the North American Utilities' Strategy and Business Transformation practice. In that capacity, Jim is responsible for strategy offerings, business transformation and corporate change programs, operating strategy development and merger integration activities. Jim provides our practice with guidance on the strategic direction of the utilities industry.

Jim has a BS in nuclear engineering from the University of Virginia and an MBA in Finance and Economics from Carnegie-Mellon University.

Jim has been widely published and interviewed as an industry expert – most recently *Capital Management: The Missing Performance Driver* (Sept 2005); *High Performance – Your Strategy Matters* (Sept 2006); *M&A Value Creation - Combating the 'Winner's Curse'* (Oct 2006), all in Public Utilities Fortnightly

Expertise:

Functional:

- Mergers and Acquisitions
- Business Transformation / Restructuring
- Market and Shareholder Value Analysis
- Growth and Portfolio Strategies
- Competitive Merchant and Retail Strategies

Industry:

- Asset Optimization
- Capital Management
- Nuclear
- Gas, Electric and Combined Gas/Electric Utilities
- Natural Gas Exploration
- Retail Energy
- Merchant Energy / Developers

Selected Relevant Experience:

- Business transformation of a gas and electric utility. Redesigned business model and operating strategy, for the following functions: energy delivery, generation, customer care, shared services, finance and supply chain.
- Business transformation of an electric and gas utility with projected benefits in excess of $1B over 5 years. Focused on overall business architecture development, creating an acquisitive platform and corporate governance issues.
- Corporate strategy development to guide the competitive transition for a major electric utility. Specific focus on defining customer retail/wholesale business strategies and action plans from both growth and retention perspectives.
- Portfolio strategy for restructuring an integrated energy company – included recommendations on acquisitions, divestitures and capital redeployment.
- Merchant business unit re-positioning for large mid-western utility. Included a comprehensive strategic review of the merchant business, development of regional market views and portfolio rationalization, design of an integrated portfolio business model, performance measurement and risk management frameworks and infrastructure.
- Competitive retail strategy for a major multi-jurisdictional electric holding company and its integration into the broader corporate strategy. Included scenario development, market assessments and customer segmentation/buyer value analysis.

Copyright © 2007 Accenture All Rights Reserved. Accenture, its logo, and Accenture High Performance Delivered are trademarks of Accenture.

DATE FILED: January 17, 2007

CA IR-79 Attachment 1 Page 1 of 5

Greg Anderson – Engagement Manager

Background:

Greg Anderson is a Senior Manager in Accenture's Resources Strategy Practice. Since joining Accenture in 1998, Greg has worked in and led teams in the metals, mining, forest products, energy, and chemicals industries. Greg's most recent experiences include an operations improvement effort for an ammunition manufacturer, strategic sourcing and procurement organization redesign for a global integrated steelmaking client, and a supply chain operating model design for a global mining company.

During his consulting career, Greg's work has focused on strategy, supply chain management and strategic sourcing improvements for asset-intensive companies. Greg also has expertise in organization and operating model design. Other project expertise includes capability development, marketing, and pricing improvement projects.

Before joining Accenture, Mr. Anderson was a Captain in the U.S. Army, serving for eight years in a wide range of direct line leadership roles for armor units in Germany and the United States. As an officer, Greg also held positions within maintenance, operations, and supply functions.

Greg holds a BS in Engineering Management from the United States Military Academy at West Point, and an MBA from the Kellogg School of Management at Northwestern University.

Expertise:

Functional:

- Operating Model Development and Organization Design
- Supply Chain Management
- Strategic Sourcing
- Operations Improvement
- eAuctions & Tactical Procurement
- Cost to Serve Improvement
- Pricing Improvement
- Project Management

Industry:

- Mining
- Metals
- Chemicals
- Energy
- Forest Products

Selected Relevant Experience:

- **Global Integrated Steel Manufacturer:** Led a strategic sourcing and procurement organization redesign initiative over a 20-month period. Conducted initial procurement diagnostic and performance assessment. Sourced over $500 MM in annual spend, generating savings of over $50 MM for global and regional spend categories. Led global redesign and coordinated implementation for restructured procurement and materials management organization.
- **Global Iron Ore Mining Company:**
  - Led strategic sourcing project to address over $100 MM in total annual spend, achieving $6-10 MM in recurring savings for key mining specific strategic categories. Utilized low cost country sourcing strategies to expand supplier base, leveraging teams in China, South Africa, and Brazil to identify the most competitive suppliers.
  - Served as subject matter advisor in the redesign of the supply chain organization. Evaluated existing training, skills, processes, and capabilities. Created a new organization model and identified key competencies required to improve performance.
- **US Diversified Chemicals and Metals Company:** Led operations improvement effort for the ammunition manufacturing unit. Assessed all areas of operations to identify $7 MM in improvement ideas, and worked with six action teams to evaluate, plan, and implement projects. Developed processes and tools to sustain client's continuous improvement efforts.
- **Global Oil & Gas Company:** Led strategic planning effort for the natural gas unit of this top five oil & gas supermajor. Conducted market analysis, market segmentation, capabilities assessment, growth strategy development, and operating model design to position this unit for significant growth.
- **Leading Metals and Mining Exchange:** Led creation of eAuction capability for this marketplace, and served as program manager for global auction services, conducting 56 eAuction events for $327 MM in spend, achieving 16% savings per event on average.

Copyright © 2007 Accenture All Rights Reserved. Accenture, its logo, and Accenture High Performance Delivered are trademarks of Accenture.

DATE FILED: January 17, 2007
CA IR-79 Attachment 1 Page 2 of 5

Paul De Guida – Consultant

— Background:

Paul De Guida is a Consultant in Accenture's Strategy Practice based in the Toronto office.

Since joining Accenture Paul has worked with a large retailer / grocer developing supply chain strategy and a large brewer developing route to market strategy.

Before joining Accenture, Paul spent seven years in the petrochemical industry for a major integrated oil company where he worked in a variety of functions including business analysis, product supply/logistics, manufacturing operations, process design, and project management.

Paul's consulting experience includes roles in business strategy development and supply chain optimization while his industry experience includes roles in financial reporting and capital project stewardship in an asset-intensive company.

Paul holds a Chemical Engineering degree from The University of Waterloo and an MBA from The Rotman School of Management at the University of Toronto.

— Expertise:

Functional:
- Route to Market Strategy
- Supply Chain Strategy
- Retail Strategy
- Financial Analysis & Reporting
- Capital Project Management

Industry:
- Consumer Goods / Beverages
- Retail / Grocery
- Refining / Petrochemicals

— Selected Experience:

Large global brewer:
- Member of team developing long term route to market strategy in a unique regional regulatory environment
- Performed root cause analysis on declining regional profitability
- Managed data analysis team investigating key hypotheses
- Performed gap analysis on key capabilities including performance of retail channel

National Retailer / Grocer:
- Contributed to a Supply Chain strategy and roadmap project that had a 8 year vision horizon
- Assessed current performance through gap analysis, created vision for future state, defined investment requirements and benefits and formulated high level initiative roadmap
- Developed business case and benefits model

Major Producer of Crude Oil, Refiner, and Marketer of Petroleum Products:

As Business Analyst and Capital Coordinator
- Analyzed and reported financial results for business units with combined annual revenues in excess of $500 million
- Accountable for $20 million annual capital budget

As Supply Analyst
- Supply chain optimization and issue resolution for four manufacturing plants and four terminals with annual sales over $300 million.

As Operations Engineer
- Process troubleshooting, optimization, and technical leadership for 100kT manufacturing facility.

As Project Development Engineer
- Managed project development including cost/benefit analysis and risk assessments for manufacturing facility

As Process Technology Engineer
- Process design and troubleshooting for all refining and Chemical plants.

Copyright © 2007 Accenture All Rights Reserved. Accenture, its logo, and Accenture High Performance Delivered are trademarks of Accenture.

DATE FILED: January 17, 2007

CA IR-79 Attachment 1 Page 3 of 5

Yih-Han Ma - Analyst

Background:

Yih-Han Ma is an Analyst in Accenture's Resources practice. Since joining Accenture in 2005, Yih-Han has worked in the mining, metals, energy, and utilities sectors. Yih-Han's most recent experiences include a strategic diversification/M&A project with a global iron ore mining company and leading the effort to design, develop, and implement project and financial management processes for an US utilities client.

During his consulting career, Yih-Han's work has focused on strategy, process design, and project management within the utilities sector. Yih-Han also has expertise in market and competitive analysis, work and resource planning/management, and general process and strategic operational design.

Prior to his time at Accenture, Yih-Han spent time at UBS Investment Bank (Hong Kong) within the bank's Corporate Finance and Mergers & Acquisitions groups, providing research and valuations for a number of equity, debt, and M&A transactions for clients throughout Asia. Yih-Han also worked at Huawei Technologies early in his career, helping the telecom giant expand its footprint in the North American market.

Yih-han has a BS in Business and BA in Economics from the University of California, Berkeley.

Expertise:

Functional:

- Strategic diversification
- Market analysis
- Project management
- Financial, resource management
- Process design and implementation
- Strategic operational design
- Financial analysis

Industry:

- Mining
- Metals
- Energy
- Utilities

Selected Relevant Experience:

- **US Utility/ISO:** Led the performance management team to design and develop performance management, work-planning, financial management, and business architecture processes and tools. Oversaw budget analysis for the $200m electricity market redesign program and identified 10% cost savings. Launched several initiatives to enhance the efficiency and effectiveness of various client departments, including comprehensive guidelines for project management and a streamlined performance management and reporting process.
- **Global Iron Ore Mining Company:** Conducted market research on strategic investment opportunities; prepared detailed industry analysis, forecasted market and price trends, supply/demand drivers, government and environmental regulations, and general economic conditions, and matched these against client capabilities to derive the most profitable natural resource investments
- **Other Global Clients:** Led effort to create international operational metrics and Balanced Scorecard for a key global client, restructuring client strategy to help align overall strategy, performance goals, and operational processes.

Copyright © 2007 Accenture All Rights Reserved. Accenture, its logo, and Accenture High Performance Delivered are trademarks of Accenture.

DATE FILED: January 17, 2007

CA IR-79 Attachment 1 Page 4 of 5

Doug McCarthy – IT Lead

Background:

Mr. McCarthy is a Partner in Accenture's Strategic IT Effectiveness (SITE) organization. With over 20 years experience in IT in a variety of capacities, his expertise in IT assessment, organization and strategy is founded upon direct hands-on experience in IT.

He has consulted to over 60 companies in North and South America, Europe and the Middle East. He has worked across several industries including: consumer products, retail, utilities, and financial services.

Companies he has assisted include: TXU, BC Hydro, Reliant Energy, Niagara Mohawk, Enbridge, L'Oreal, Molson, Pepsi, The Hartford, IGA, Unilever, and Pfizer.

Before joining Accenture, Mr. McCarthy was a Principal in KPMG's Halifax consulting office specializing in strategic IT issues.

Mr. McCarthy received his MBA from York University in Toronto, Canada and his B.Sc. (Honors) from the University of Waterloo.

Expertise:

Functional:

- IT Organization & Governance
- IT Assessments & Cost Effectiveness
- IT Strategy
- IT Sourcing

Industry:

- Food and Consumer Packaged Goods
- Retail
- Utilities
- Insurance

Selected Relevant Experience:

- This **major gas and electric utility** was undergoing a major shift in business strategy. Given these changes the CIO engaged Mr. McCarthy to assist in defining an IT organization to support the business needs at the 'right cost'. A key input into designing the most effective IT organization was the IT governance model and the target IT architecture resulting from this decision making model. Mr. McCarthy worked with the CIO and senior IT leaders to articulate a new consolidated organization model and high-level target applications architecture.
- Senior executive leadership at this **leading global producer of cosmetics** questioned the capacity of their existing IT capability to sustain the companies leading industry position. Mr. McCarthy conducted a comprehensive assessment of IT including: spending, organization, governance, applications, and infrastructure. The assessment evaluated internal performance measures as well as benchmarking performance against industry leading practices and specific competitive trends. The project reported to the CEO and was deemed to be a critical enabler of the company's future direction.
- In response to deregulation of the industry and the need to position themselves in a new more competitive business environment **a large electric and gas utility** required assistance in a major re-structuring. Mr. McCarthy lead efforts in the area of IT transformation. The project defined IT's overall role, rationalized multiple IT groups, dramatically re-structured the IT organization and positioned IT to be more responsive to business needs. Key questions addressed included:
  - What should be the future IT vision/role and how should IT decision rights be structured?
  - What potential contributions can IT make and how should IT be organized to enable the achievement of business objectives?
  - What longer-term improvement opportunities are most significant, and how should the team proceed?

Copyright © 2007 Accenture All Rights Reserved. Accenture, its logo, and Accenture High Performance Delivered are trademarks of Accenture.

DATE FILED: January 17, 2007

CA IR-79 Attachment 1 Page 5 of 5

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-80: **For each individual identified in the response to IR-3 provide a listing of the dates which each individual attended at the offices of NSPI in relation to the preparation of the report.**

Response IR-80: Please see table below.

Person	**Dates at NSPI Offices**
James Hendrickson	Nov 27-29, Dec 6-7, Dec 12-14
Doug McCarthy	Dec 18-22
Greg Anderson	Nov 28-30, Dec 4-7, Dec 11-14, Dec 17-21, Jan 2-5, Jan 8-11
Paul De Guida	Nov 28-30, Dec 4-7, Dec 11-14, Dec 17-21, Jan 2-4, Jan 8-11
Mikki Lee	Dec 18-22
Yih-han Ma	Nov 28-30, Dec 4-7, Dec 11-14, Dec 17-21, Jan 2-4, Jan 8-11

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-81: **For each of the individuals identified in the response to IR-3 provide, in as much detail as is available, the particular tasks undertaken by each individual, the date the task was undertaken and the amount of time associated with each task.**

Response IR-81: Please see table below.

Person	**Tasks**
James Hendrickson	Utility leading practice and operating model expertise, overall project direction, deliverable input and review
Doug McCarthy	Information Technology assessment lead: Data request, collection, and analysis, interviewing, as-is assessment documentation, leading practice evaluation, report creation
Greg Anderson	Data request, collection, and analysis, interviewing, as-is assessment documentation, leading practice evaluation, project management, report creation, status report development
Paul De Guida	Data request, collection, and analysis, interviewing, as-is assessment documentation, leading practice evaluation, report creation
Mikki Lee	Information Technology assessment: Data request, collection, and analysis, interviewing, as-is assessment documentation, leading practice evaluation, report creation
Yih-han Ma	Data request, collection, and analysis, interviewing, as-is assessment documentation, leading practice evaluation, report creation

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-82: **To the extent not answered in the response to IR-6, provide a listing of NSPI personnel who had direct contact with the individuals identified in the response to IR-3.**

Response IR-82: Please see table below.

Person	Function	Role/ Responsibility	Date
Ralph Tedesco	Executive Management	President & CEO	12/05/2006
Greg Blunden	Finance & Accounting	Treasurer & GM Finance	12/04/2006
Claudette Kehoe	Finance & Accounting	Controller	12/05/2006
Evelyn Mckinnon	Finance & Accounting	Accounts Payable & Capital Accounting	12/07/2006
Allison Power	Finance & Accounting	Accounts Payable	12/18/2006
Darlene Auld	Finance & Accounting	Director Internal Audit & Security	12/12/2006
David Decoste	Finance & Accounting	Associate Treasurer	12/11/2006
Glenda MacCallum	Finance & Accounting	Assistant Controller	12/19/2006
Rodney Brunt	Finance & Accounting	Financial Analyst	12/20/2006
Joanne Young	Finance & Accounting	Forecasting Analyst	12/20/2006
Kim Aselstine	Human Resources	Director Human Resources	12/05/2006
Mary Agnes Moar	Human Resources	Manager Compensation and Benefits	12/07/2006
Joan Satel	Human Resources	Manager HR Client Admin Services	12/12/2006
David Nevitt	Human Resources	HR Administrator Pension	12/12/2006
Ray Kirk	Human Resources	Manager Client Services	12/11/2006
Stephen Dewar	Procurement & Facilities	Director Procurement	01/04/2006
Allan Fraser	Procurement & Facilities	Manager Procurement	12/07/2006
Tom McCarthy	Procurement & Facilities	Regional Purchasing Manager	12/06/2006

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Response IR-82: (Cont'd)

Person	Function	Role/ Responsibility	Date
Danny McPhee	Procurement & Facilities	Procurement & Warehouse Manager	12/06/2006
Robert Hanf	Legal	General Counsel	12/06/2006
Bob Boutilier	Regulatory Affairs	Director, Regulatory Affairs	12/07/2006
Lia MacDonald	Power Production	Investment Champion, Power Production	12/14/2006
Ken MacKeigan	Information Technology	Director IT	12/19/2006
George Warner	Information Technology	Team Lead Operations	12/19/2006
Barry Haverstock	Information Technology	Contract and Asset Manager	12/19/2006
Bruce Dodson	Information Technology	Enterprise Architect	12/19/2006
Tom Robertson	Information Technology	Business Info Manager	12/19/2006
Barry Scallion	Information Technology	Team Lead Business Support	12/19/2006
Glenn Macleod	Information Technology	Team Lead Business Support	12/19/2006
Shawn Connell	Information Technology	Team Lead Business Support	12/19/2006
Bonnie Dickson	Information Technology	Manager, IT Security and Projects	12/20/2006

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-83: **To the extent not contained in the work plan provided in question 2 [CA IR-77], please list the evaluation criteria used to form the basis of Accenture's judgment(s) and/or opinion(s) related to whether NSPI is operating effectively and efficiently.**

Response IR-83: Details contained within the Nova Scotia Power Performance Assessment Report and Appendices describe the various evaluation criteria used during the course of the project.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-84: **Provide any interim reports (monthly management, status or otherwise) that were presented to NSPI during the course of the engagement.**

Response IR-84: Please refer to Attachments 1 to 3.

Nova Scotia Power Performance Assessment
Status Report – Week Ending Dec 8

Key Achievements: This Period (12/04-12/08)

- ☐ Analyzed and reviewed data collected at start of project
- ☐ Conducted interviews with NSPI executives and functional area representatives:
  - ☐ Procurement: Allan Fraser, Dan McPhee, Tom McCarthy
  - ☐ HR: Kim Aselstine & Mary Agnes Moar
  - ☐ F&A: Greg Blunden, Claudette Kehoe & Evelyn Mackinnon
  - ☐ Gen Counsel: Robert Hanf
  - ☐ Dir. Regulatory Affairs: Bob Voutilier
  - ☐ IT: Ken MacKeigan
- ☐ Received additional OM&G cost information from C. Kehoe and other data from functional representatives
- ☐ Developed outline for current state assessment document

Plans: Next Period (12/11-12/15)

- ☐ Collect additional functional area data
- ☐ Conduct additional interviews with NSPI individuals:
  - ☐ Internal Audit: Darlene Auld
  - ☐ Treasury: David Decoste
  - ☐ Others as required
- ☐ Complete current state assessment
- ☐ Document leading OM&G practices
- ☐ Begin evaluation of NSPI practices versus leading practices

Key Issues:

- ☐ Date for final UARB report moved up to Jan 8; workplan adjusted to reflect this accelerated schedule; final design of future operating capability will occur after UARB report has been finalized

Key Milestones	Target Date	Status
Conduct current state assessment	12/15	Scheduled
Document leading practices in terms of capability and performance	12/19	Scheduled
Evaluate NSPI performance against leading practices	12/22	Scheduled
Complete Report for UARB submission	1/08	Scheduled
Conduct workshop sessions	1/08-12	To be Scheduled
Design future operating capability	1/16	Scheduled
Define key initiatives	1/16	Scheduled
Create and deliver final report	1/19	Scheduled

© 2006 Accenture. All rights reserved. – strictly confidential

DATE FILED: January 17, 2007

CA IR-84 Attachment 1 Page 1 of 1

Nova Scotia Power Performance Assessment
Status Report – Week Ending Dec 15

Key Achievements: This Period (12/11-12/15)

- ☐ Collected and analyzed additional data provided by functional representatives
- ☐ Conducted additional interviews with NSPI functional area representatives:
  - ☐ HR: Joan Satel, Dave Nevitt, Ray Kirk
  - ☐ F&A: Darlene Auld, David Decoste
  - ☐ Lia MacDonald, Investment Champion Pwr Production
- ☐ Received additional OM&G cost information from C. Kehoe and Rod Brunt to facilitate benchmark comparison
- ☐ Organized Information Technology interviews and schedules for next week's IT assessment led by Doug McCarthy (Accenture)
- ☐ Started comparison of NSPI practices to leading practices
- ☐ Developed outline for final report document

Plans: Next Period (12/18-12/22)

- ☐ Collect / follow up on additional functional area data as needed
- ☐ Finalize current state assessment document
- ☐ Compare NSPI practices to leading practices (utility specific and cross-industry)
- ☐ Begin to build out the final board report document
- ☐ Conduct Information Technology assessment (led by Doug McCarthy & Mikki Lee)
  - ☐ Interviews scheduled for Tues Dec 19 and Wed Dec 20
  - ☐ Most data on hand but additional info may be collected
  - ☐ External benchmarks compiled
  - ☐ NSPI practices to be compared to leading practices

Key Issues:

- ☐ Date for final UARB report moved to Jan 8; workplan adjusted to reflect this accelerated schedule; final design of future operating capability will occur after UARB report has been finalized

Key Milestones	Target Date	Status
Conduct current state assessment	12/15	In Progress
Document leading practices in terms of capability and performance	12/19	In Progress
Evaluate NSPI performance against leading practices	12/22	In Progress
Complete Report for UARB submission	1/08	In Progress
Conduct workshop sessions	1/08-16	To be Scheduled
Design future operating capability	1/16	Scheduled
Define key initiatives	1/16	Scheduled
Create and deliver final report	1/19	Scheduled

© 2006 Accenture. All rights reserved. – strictly confidential

DATE FILED: January 17, 2007

CA IR-84 Attachment 2 Page 1 of 1

Nova Scotia Power Performance Assessment
Status Report – Week Ending Dec 22

Key Achievements: This Period (12/18-12/22)

- ☐ Conducted additional interviews with NSPI functional area representatives:
  - ☐ Procurement: Allan Fraser
  - ☐ F&A: Rodney Brunt, Joanne Young
- ☐ Collected / followed up on additional functional area data as needed
- ☐ Finalized current state assessment document
- ☐ Compared NSPI practices to leading practices (utility specific and cross-industry)
- ☐ Started to build out the final board report document
- ☐ Conducted Information Technology assessment (led by Doug McCarthy & Mikki Lee)

Plans: Next Period (12/27-12/29)

- ☐ Finalize board report document draft to be presented to R. Tedesco Jan 4 and final copy to board on Jan 8
- ☐ Prepare to further detail findings and improvement initiatives

Key Issues:

- ☐ Date for final UARB report moved to Jan 8; workplan adjusted to reflect this accelerated schedule; final design of future operating capability will occur after UARB report has been finalized
- ☐ Holidays scheduled for Dec 25, 26, and Jan 1

Key Milestones	Target Date	Status
Conduct current state assessment	12/15	Complete
Document leading practices in terms of capability and performance	12/19	Complete
Evaluate NSPI performance against leading practices	12/22	Complete
Complete Report for UARB submission	1/08	In Progress
Conduct workshop sessions	1/08-16	To be Scheduled
Design future operating capability	1/16	Scheduled
Define key initiatives	1/16	Scheduled
Create and deliver final report	1/19	Scheduled

© 2006 Accenture. All rights reserved. – strictly confidential

DATE FILED: January 17, 2007

CA IR-84 Attachment 3 Page 1 of 1

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-85: **Please indicate if any other internal (i.e., self-assessments) or external studies, analysis, reviews, assessments were undertaken during 2006 to review the efficiency of the Company's operating departments (e.g., generation, transmission and/or distribution operations, maintenance, construction, meter reading, customer service, fleet maintenance, etc.). If any such assessment(s), study (ies), review(s) etc. were conducted in 2006, please provide a list and a copy of the said assessment(s), study (ies), review(s).**

Response IR-85: Accenture provided an assessment of NSPI's operating groups in its preliminary report in March 2006 (CA IR-45). In addition, NSPI participates in CEA's annual Corporate Performance and Productivity Evaluation (COPE) Benchmarking report (CA IR-47) and performs trend analysis of operating costs on a per GWh and customer basis in both current and constant dollars (UARB IR-56).

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-86: **Referring to page 2, 4th bullet, please define the statement, "average to good performers for a utility of its size and structure". What is meant by "size" and "structure"? Further, please define your term "within the typical range"**

Response IR-86: This statement refers to "average to good performance" against companies similar in size, scope and complexity. Size refers to scope of NSPI in terms of number of customers, geographic scope and power production. Structure refers to the organization of the company. "Typical range" simply refers to the normal and usual variation observed in performance and evidenced by benchmarking and capability assessments.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-87: **Referring to page 2, 7th bullet, please provide the list of "utility peers" used to benchmark Nova Scotia Power Inc (NSPI).**

Response IR-87: Sample sets are provided in the report and in the earlier March 2006 study. Please refer to CA IR-45.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-88: **Referring to page 2, 8th bullet, what are the operating cost impacts of the significant IT upgrade needed to WMS, CMS and WPI. Was an assessment made of the impact to operating costs for these deficiencies? If not, why?**

Response IR-88: The IT upgrades will provide higher performance levels and capability benefits and will result in incremental costs, primarily annual maintenance costs.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-89: **Referring to page 3, table labeled "Assessment Scope", why were other operating areas such as distribution operations, meter reading, customer service, fleet maintenance excluded from the review? Please explain fully. If these areas were not excluded, please identify where in the report the assessment is presented?**

Response IR-89: The January 8, 2007 Accenture report focused on the corporate groups as specifically identified in the terms of reference (CA IR-38, Attachment 1, Page 6, part (d)).

The UARB has undertaken other reviews and assessments of other NSPI operating costs. For example, John Sherrod was engaged to review NSPI's storm response and the appropriateness of the company's level of staffing for power line technicians. Liberty Consulting was engaged to review NSPI's vegetation management.

NSPI also submitted expert evidence to support its pension costs which account for 16 percent of the 2007 forecasted OM&G costs (UARB IR-43).

All areas of NSPI's OM&G were reviewed in a comprehensive OM&G report, filed with the UARB in 2003. This report was updated in August, 2004 and filed and reviewed as part of NSPI's 2005 general rate increase Application.

The various reports and studies including the March 7, 2006 Accenture report have confirmed that NSPI's OM&G costs are well managed.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-90: **Provide a list of management reports reviewed by the Accenture. Provide examples of each report listed.**

Response IR-90: Extensive data was collected prior to and during the course of the project.

Accenture reviewed the following management reports:

- 2006 ACE Plan
- Financial Statements
- OM&G Results, Forecasts and Budgets
- Organization Charts and Employee Counts
- Training Dollars
- IT Asset List
- IT Architecture
- Service Level Agreements
- 2007 OM&G for each area

This information is available for viewing in NSPI's Confidential Data Room.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-91: **Referring to page 5, define and further explain the statement "providing increased transparency to cost attribution."**

Response IR-91: NSPI and Emera have established clearly defined guidelines for assigning costs of any corporate services provided to Emera or other affiliates. There are three cost attribution mechanisms utilized for transferring cost:

- Direct charge expense;
- Cost attribution via established service level agreements;
- Cost allocation using UARB approved methodologies defined in the Code of Conduct section 6.10.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-92: **Referring to page 5, explain whether in Accenture's opinion the assumptions and reasons for NSPI's restructuring were validated? Was the re-organization necessary? If so, why and what operating efficiencies did the Company project it would achieve and were these efficiencies realized? If yes, fully explain. If not, why?**

Response IR-92: Yes. The reorganization will provide greater organization focus and increased transparency for all stakeholders. No operating efficiencies were expected.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-93: **Referring to page 6, define "size of bubble = relative cost of function". The term cost is defined as what aspects?**

Response IR-93: The cost of each function is defined as the forecasted budget for 2007 for each of the functions. The one exception is the $3.86 million in insurance forecasted for 2007 in the Legal function which has been excluded.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-94: **Referring to page 7, to arrive at the findings and conclusion presented on page 7, provide a list of interviews and observations made that led to this conclusion. Please be specific identifying who was interviewed, their title and area of responsibility, when the interview occurred and when any field or onsite observation was made. Provide any contemporaneous notes from the Accenture/interviewers.**

Response IR-94: See CA IR-82.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-95: **Referring to page 8, please list the metrics that form the basis for the conclusions on page 8? Provide any trend assessment whether this is improving over time.**

Response IR-95: The metrics comprising this summary assessment by function can be found in the Appendix of the Accenture Report, in each respective functional area's section. No trend assessment was conducted.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-96: **Referring to page 9, provide an assessment of the cost of this deficiency on Company operations and the period of time that these systems have been "technically weak." Was an assessment made as to how long the Company may have known that these systems were "technically weak". Please explain fully.**

Response IR-96: NSPI has been able to realize maximum customer value from the applications noted as technically and functionally weak. The assessment related to these custom built assets is primarily associated with technical limitations. Please refer to CA IR-107.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-97: **Referring to page 9, please define the significance of 70% on the chart. How was it determined that 70% was an apparent acceptable threshold? How determined that this level was apparently adequate and on what basis?**

Response IR-97: Accenture has completed many application portfolio assessments using approaches similar to that completed at NSPI. This approach includes both input from client technical and business staff in the evaluation of applications in addition to the experience of the Accenture team.

Based on Accenture's experience with these types of analyses an application score of less than 70% is an indicator of significant issues. It is not an indicator that the application must be replaced, but that there are significant technical or functional issues to be addressed.

When functional scores are greater than 70% but technical scores are less than 70%, the application provides sufficient business functionality but requires investment to improve the technical design and/or update the technology.

When functional scores are less than 70% but technical scores are greater than 70%, there is a lack of business functionality but the application does provide a suitable technical foundation for an expansion of functional capability.

When both technical and functional scores are below 70%, it is often more effective to replace the application than fix it.

Accenture is confident that the above approach provides reliable initial indicators. Further due diligence should be completed before initiating actions requiring major investment.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-98: **Referring to the comments section on the bottom of page 10, 2nd bullet, explain the transfer of $3mm costs from operational groups.**

Response IR-98: Please refer to SEB IR-156 (b) and (c).

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-99: **Referring to page 10, to what extent were the cost elements in the bar graph examined?**

Response IR-99: In each function's respective section in the Appendices, the detailed costs were examined to understand significant variances from previous years. The overall costs by function were evaluated by comparison against benchmarks, which are included in the Appendices.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-100: **Referring to page 11, why was F&A compared to percentage of revenues while Procurement was compared to OPEX (assume this is operating expenses or O&M).**

Response IR-100: The bulleted listing of example metrics is not all inclusive, rather it is simply two or three of the total metrics evaluated; the composite benchmark summarizes all benchmarks evaluated for each function.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-101: **Referring to page 11, were the metrics used in the benchmarks of functional areas reflect only utility operations? Was any attempt made to compare to other Nova Scotia businesses?**

Response IR-101: The metrics used in the benchmarks of functional areas included only utility companies. No attempt was made to compare to other Nova Scotia businesses.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-102: **Referring to page 11, were revenues adjusted to reflect impact of any adjustment clauses?**

Response IR-102: No.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-103: **Referring to page 13, explain whether there was an assessment of the cost to ratepayers of the manual keying of accounts payable.**

Response IR-103: The potential annual savings is estimated to be approximately $50,000. To achieve this level of performance an incremental capital investment of $100,000-300,000 will be required. NSPI will be undertaking the economic evaluation in 2007.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-104: **Referring to page 13, please explain whether the Accenture found any strategic sourcing of procurement activities and whether the Company readily uses generally accepted standards to measure the performance of the procurement group.**

Response IR-104: NSPI does have a well-documented strategic sourcing process within its procurement group, and the company uses generally accepted standards such as cost reduction, process compliance, and on-time supplier payments to measure the performance of its procurement group.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-105: **Referring to page 13, provide any internal NSPI reports conducted during 2005 and 2006 which assessed or reviewed the procurement organization performance.**

Response IR-105: There were no reports conducted during 2005 or 2006 which assessed or reviewed the procurement organization performance.

.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-106: **Referring to page 14, did Accenture make any assessment of the derived benefits to enhancing NSPI training program. If yes, explain how any conclusions related to training are reflected in the report. If not, why?**

Response IR-106: Yes, in areas of the report it is noted that a comprehensive training approach could benefit NSPI in a number of ways, most notably in the area of potential workforce productivity and new hire training as a significant portion of the workforce is eligible for retirement.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-107: **Referring to page 15, for each system discussed on this page (i.e., WMS, CMS, WPI & CIS), what were the specific issues that led to the conclusion 5 that these systems should be replaced? Were the CMS updates in 2005 investigated as to their effectiveness? If yes, what were the findings? If not, why?**

Response IR-107: NSPI has completed formal Technical Asset Reviews for the referenced critical system (WMS, WPI, CIS) and a Opportunity Assessment for CMS that has recommended asset replacements. Highlights from these assessments are outlined below:

Customer Information System (CIS)
The NSPI CIS system is meeting the current needs of the business. CIS system performance, however, is degrading over time, primarily due to the continual accumulation of data created with the addition of incremental functionality. Batch processing times and disk capacity levels are steadily moving toward threshold levels.

There is limited flexibility to change the operating environment to accommodate new functionality or a change in processing. If business conditions were to change, perhaps through the implementation of a new NSPI system that interfaces to CIS or due to a regulatory requirement, this lack of flexibility limits the ability of CIS to adapt to meet the new business requirements.

The NSPI CIS system is rated as a medium risk to NSPI. The lack of flexibility to accommodate changing business needs and the fact that system software, both application and operating system, is several versions behind supported levels, contribute to this rating. CIS operating requirements have, in recent years, remained relatively static and there are

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Response IR-107: (cont'd)

no changes identified at this time. Any new business requirements would require a reassessment of the risk, costs and other factors.

The 2007 Annual Capital Expenditure (ACE) Plan proposes a capital investment of $715,000 in 2007 to upgrade the CIS system infrastructure (server and operating system) to supported levels. An incremental investment is also forecast for 2009 to maintain supportability.

Work Management System (WMS)

The WMS application is reaching the end of its useful life. Workarounds have been put in place to extend application functions.

WMS employs a legacy database/application environment (DOS) that reside on an operating system (Novell Netware 4.11) that NSPI is not licensed to reinstall, and is accessed via outdated hardware and software (Citrix WinFrame servers).

No option exists to upgrade the current WMS environment. It is not possible to mitigate all the risks until WMS moves to a new (Windows or Java-based) environment.

WMS is in its thirteenth year of use, more than twice the typical lifespan of an application of this type. The WMS project is included in the ACE plan for 2007.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Response IR-107: (cont'd)

Wiring Permit Inspection (WPI)

The System was custom developed by NSPI in 1998 and has no upgrade path. Current versions of the application tool (Oracle Forms) and database are unsupported by Oracle and no opportunity exists to expand functionality of integration capability. NSPI anticipates that the solution for WMS will include the functions provided by the WPI program.

Capital Management System (CMS)

The current system (CMS) is an in-house program that was written in 1994. This means:

- Currently the database on which CMS runs is in extended support from Oracle, i.e., there are no new upgrades to this version.
- Oracle and the desktop vendors will not support the Client code running on users desktops.
- The Oracle development toolkits (Developer 2000) used to maintain the code and make changes/modifications are no longer supported by Oracle.

The updates to the CMS asset in 2005 were operating upgrades to enable the application to operate under the new standardized desktop, and have been performing as expected. The CMS project is included in the ACE plan for 2007.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-108: **Referring to page 15, did the Accenture make any assessment of how long these deficiencies had been in place? If so, please explain. If not, why?**

Response IR-108: No. Accenture assessed how long each system has been in place and whether it has been upgraded, using data provided by NSPI.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-109: **Referring to page 15, could Accenture, if hired by NSPI, provide system assessment, design, and/or implementation for any of the systems that are recommending to be replaced?**

Response IR-109: Yes. Accenture has those capabilities.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-110: **Referring to page 20, did the Accenture make any assessment of the upward trend in costs as illustrated in the "Costs" table? If so, please explain. If not, why?**

Response IR-110: Yes. Please see page 74 of the report for details.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-111: **Referring to page 21, with in the panel, Organizational Structure, People and Governance, what is the "optimal organizational structure" referred to in the second bullet.**

Response IR-111: In this context, optimal refers to an organization structure representing what is considered appropriate for NSPI, taking into account leading practice organization structures for HR.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-112: **Referring to page 21, what is the basis for the third bullet in that same panel as referred to in question 30 related to knowledge management?**

Response IR-112: The basis for the third bullet refers to the fact that no knowledge management computer program exists today, and in human resources 11 percent of the employees will be eligible for retirement within five years, and 29 percent within 10 years. NSPI has undertaken succession planning.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-113: **Referring to page 21, explain what Accenture meant by the phrase "for the most part" in the graphic labeled "Capabilities and Processes".**

Response IR-113: This point refers to the collective items identified in pages 102-103 of the report.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-114: **Referring to page 24, explain the reasons for the forecasted drop in costs for the IT function shown on this page.**

Response IR-114: The forecasted drop in cost is primarily related to rental and maintenance software estimates (approximately $2.1 million) that were incorrectly excluded from the 2007 forecast assessment. The amount included in the October 2007 Rate Application does include them.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-115: **Referring to page 26, explain the reasons for the forecasted increase in costs for the Legal and Regulatory functions shown on this page.**

Response IR-115:

	Corporate Secretary and Legal	Regulatory Affairs	Total
2005	$5,627,000	$4,564,000	$10,191,000
2006F	$5,728,000	$3,620,000	$9,349,000
2007	$5,783,000	$5,130,000	$10,912,000

The increase in costs of $156,000 between 2005 and 2007 in Corporate Office of Secretary and General Counsel is explained in the third column of Appendix B page 5 of 43 of the Direct Evidence.

The increase in costs of $566,000 between 2005 and 2007 in Regulatory Affairs is explained in the third column of Appendix B page 17 of 43 of the Direct Evidence. The reduction in 2006F over both 2005 and 2007 is due to costs associated with a full rate case not occurring in the 2006F number.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-116: **Referring to page 26, were any adjustments made to the labor rate to account for regional demographics in the peer group. This would also apply in any other similar comparisons.**

Response IR-116: The only adjustment made was a currency conversion from Canadian dollars to US dollars.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-117: **Referring to page 27, to what extent were the regulators and/or intervenors interviewed in evaluating Legal and Regulatory Affairs?**

Response IR-117: No such interviews took place.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-118: **Referring to page 28, explain whether Accenture reviewed or assessed the impact that Executive Management has on the day to day operating activities of the Company.**

Response IR-118: Within the executive summary of the report and in section one of Appendix 1 (pages 34, 36 and 37) Executive Management's role is explicitly noted and also implied in establishing decision making authority and approving, for example, the balanced scorecard for the company.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-119: **Referring to page 28, what is Accenture's conclusion regarding management being "very involved as Accenture and approvers in key decision processes…"?**

Response IR-119: The text on page 28 states "NSPI executives are very involved as reviewers & approvers in key decision processes and governance committees, including representation on the IT Steering Committee, Investment Review Team (IRT), and others".

The context is that the function benchmarks well.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-120: **Referring to page 39, with respect to OM&G costs, are there any Corporate Goals concerning budget reductions within functional areas?**

Response IR-120: Yes. When developing budgets all departments are challenged to look for productivity gains to offset wage increases, other expected increases and general inflation.

NSPI has reflected anticipated OM&G productivity improvements in its Application, which seeks no increase in OM&G expense in 2007, with the exception of pension.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-121: **Referring to page 39, are there any productivity requirements in budget development?**

Response IR-121: Please refer to CA IR-120.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-122: **Referring to page 47, did the company provide any justification for Internal Audit not reporting to the Board?**

Response IR-122: Internal Audit reports directly to the Audit Committee of the Board of Directors. The group reports to the Treasurer & General Manager, Finance for administrative purposes only.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-123: **Referring to page 50, what is the basis for the statement that "finance does not partner well with the rest of the organization'?**

Response IR-123: Page 50 provides the Accenture reference that is used for the assessment. The Finance group at NSPI benchmarked slightly less than its peers as it has been primarily focused on transactional processing.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-124: **Referring to page 50 and elsewhere, for the bar graphs (sliding scales) shown here and elsewhere in the report, please describe exactly how NSPI's position was determined?**

Response IR-124: NSPI's position on the scale was determined based on an overall evaluation of the factors encompassing each of the capabilities listed, when compared to Accenture's experience across the utility industry.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-125: **Referring to page 50, what factors were included as part of the sliding scale? Were any of these factors , weighted? If so, fully explain.**

Response IR-125: The descriptive characteristics of "Basic" and "Advanced" capabilities shown on each page are meant to anchor the capability spectrum with the key properties of each capability. The characteristics shown are a representative list of factors used and are not meant to be exhaustive. In generating the assessment, Accenture considered how NSPI compared to the characteristics for each capability, weighing each on an equal basis generally, applying professional judgment to determine the final assessment for each capability and on an overall basis.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-126: **Referring to page 55, under weaknesses (2nd bullet), does this statement hold true regardless of project size?**

Response IR-126: No. This refers to smaller projects as opposed to larger projects.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-127: **Referring to page 56, did Accenture review the regulatory treatment of Cash and Working Capital?**

Response IR-127: No.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-128: **Referring to page 57, has the company considered making EFT capability a requirement for doing business with its vendors and suppliers?**

Response IR-128: No.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-129: **Referring to page 80, does NSPI require productivity gains in its labor negotiations? Likewise, are productivity gains required in rate submissions?**

Response IR-129: There are generally a number of issues on the table during labour negotiations, including productivity improvements. For example, during the last labour negotiation a provision for union employees to hold two recognized trades certificates (multi-trades provision) was added to the Collective Agreement.

Productivity improvements have been reflected in NSPI's 2007 revenue requirement.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-130: **Referring to page 85, is employee training, linked to manager compensation and/or employee evaluations?**

Response IR-130: Employee training is linked to compensation and evaluations through the performance management process. Some examples include, development and use of Personal Development Plans (PDPs), on-line Competency Based Training programs (CBTs) and the Employee Development Assistance policy.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-131: **Referring to page 89, please explain the elements on the bar graph --- transactional, employee life cycle, etc.**

Response IR-131: The four elements on the bar chart are described as follows:

- Transactional: total rewards administration, payroll services, data management, reporting and compliance;
- Employee Lifecycle: staffing services, workforce development services, labor relations, organizational effectiveness services;
- Strategic: total rewards planning, strategic workforce planning;
- Management and Administration: management and administration.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-132: **Referring to page 91, did NSPI explain the relatively high cost for external hires? Do we know how many hires this figure represents?**

Response IR-132: The cost identified on page 91 represents the cost to hire a senior manager level employee using an external recruitment firm, and includes the costs associated with the recruitment consultant fees, advertising costs, travel and interview costs, new hire relocation costs, e-cruiting platform costs, HR department staff compensation costs and benefits costs. The costs for the majority of NSPI's external hires fall well below this amount and are conducted without the use of an external recruitment firm.

The external hire cost reflected on page 91 represents the cost of one of 15 external hires in 2005 and one of 57 external hires in 2006. The average costs for all hires is as follows:

- 2005 - NSPI used a search firm for 1 of 17 external hires and the total average cost of external hires (including this one) was $10,365.
- 2006 - NSPI used a search firm for 1 of 57 external hires and the total average cost of external hires was $9,103.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-133: **Referring to page 101, please provide more detail to support the statement that……"significant room for improvement in the area of sourcing and decision support tools" Does this refer to e-sourcing and contract mgt. or something else?)**

Response IR-133: The reference is to technology tools for sourcing, supplier management and contract management.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-134: **Referring to page 114, did the NSPI evaluations on IT upgrades or replacement quantify any benefits for those items?**

Response IR-134: NSPI replacement or upgrade recommendations for the referenced assets are being driven by technical deficiencies (e.g. vendor support). No operating savings have been identified.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-135: **Referring to page 117, how many interviews were conducted with user organizations? Provide a list of who was interviewed, their title and area of responsibility.**

Response IR-135: See response to CA IR-82.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: CA

Question IR-136: **Referring to page 133, explain the basis for the conclusion that the .1 % difference is significant especially when comparing it to revenues?**

Response IR-136: Page 133 indicates that NSPI's IT operating expenses are lower than industry average.