2007 NSUARB-P-886

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: AEC

Question IR-27: **Further to your responses to AEC IR's 1-4, please explain why NSPI's forecasts an increase in the proportion of revenue from the residential class in 2007.**

a. Please explain why revenue from the residential class is predicted to rise, while the population of Nova Scotia is forecast to shrink over the same period?

b. Please provide the number and proportion of all classes of consumers for 1980, 1990, 1995 and 2000, as reflected in Attachment 1 to your response to IR 4.

c. If there have been percentage changes in share of rates between classes over that time period, please provide an explanation of the changes.

d. Please provide the revenue generated from each class for each of the same time periods.

e. Please provide any reports, data, estimates or other forecasts which would indicate future trends with respect to population size and the revenue generated from the residential class.

Response IR-27: a. Factors that offset the decline in population include:

1. The number of NSPI residential customers is forecast to continue to increase, due to the trend towards fewer persons per household;
2. The number of residential customers choosing to heat their homes with electricity is forecast to increase due to the forecast of prices for home heating oil, relative to electricity.

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Response IR-27: (cont'd)

b. Data for the year 1980 is not available. The following data was calculated from past rate applications from, or near, the other years requested. The table indicates the proportion of class revenue as a percentage of total electric revenue. Proportions provided in Attachment 1 of AEC IR-4 are included for comparison.

% Share

Requested Year	1990	1995	2000	2006 Rate Case Present Rates	2006 Rate Case Proposed Rates
Available Test Year	**1992**	**1996**	**2002**	**2007**	**2007**
Residential	**46.0%**	**43.7%**	**43.6%**	**43.6%**	**44.2%**
General					
Small General	1.6%	5.6%	1.1%	2.5%	2.5%
General	23.6%	21.4%	23.6%	22.1%	21.3%
Large General	2.1%	3.1%	2.9%	3.0%	3.0%
Total General	**27.3%**	**30.1%**	**27.6%**	**27.6%**	**26.9%**
Industrial					
Small Industrial	1.8%	1.7%	2.0%	2.1%	2.1%
Medium Industrial	3.9%	3.2%	4.3%	4.2%	4.2%
Large Industrial / Interr.	11.2%	12.3%	9.1%	6.2%	6.3%
GRLF				0.1%	0.1%
Mersey Basic Block				0.7%	0.6%
Mersey Additional Energy				0.9%	0.9%
Dir.Cust. Expense Revenue	5.5%	4.7%	10.0%		
ELIIR				9.1%	
RTP				1.1%	
ELIIR2 / 2P-RTP					10.5%
Total Industrial	**22.4%**	**21.8%**	**25.4%**	**24.4%**	**24.8%**

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Response IR-27: (cont'd)

% Share

Requested Year	1990	1995	2000	2006 Rate Case Present Rates	2006 Rate Case Proposed Rates
Available Test Year	**1992**	**1996**	**2002**	**2007**	**2007**
Other					
Municipal	2.1%	2.2%	1.4%	1.4%	1.4%
Unmetered	2.1%	2.2%	2.0%	2.2%	2.0%
Total Other	**4.2%**	**4.4%**	**3.4%**	**3.6%**	**3.4%**
In Province Electric Revenue	**100.0%**	**100.0%**	**100.0%**	**99.2%**	**99.3%**
Export Sales				**0.8%**	**0.7%**
Total Electric Revenue	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

c. The share of revenue, as a percentage of total revenue, has not significantly changed over the period.

d. The rate case revenue numbers shown in the table below correspond to periods used in the response to part b.

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: AEC

Response IR-27: (cont'd)

Forecasted Revenue ($M)

Requested Year	1990	1995	2000	2006 Rate Case Present Rates	2006 Rate Case Proposed Rates
Available Test Year	**1992**	**1996**	**2002**	**2007**	**2007**
Residential	**$320.0**	**$329.5**	**$400.4**	**$481.6**	**$524.8**
General					
Small General	$10.8	$42.5	$9.7	$28.1	$30.2
General	$164.3	$161.7	$216.3	$244.3	$252.8
Large General	$14.9	$23.2	$27.0	$32.9	$35.8
Total General	**$190.1**	**$227.4**	**$253.0**	**$305.3**	**$318.8**
Industrial					
Small Industrial	$12.5	$12.5	$18.5	$23.0	$24.7
Medium Industrial	$27.0	$23.9	$39.3	$46.8	$50.2
Large Industrial / Interr.	$78.0	$92.9	$83.6	$68.9	$74.5
GRLF				$1.2	$1.2
Mersey Basic Block				$7.3	$7.3
Mersey Additional Energy				$10.3	$11.1
Dir.Cust. Expense Revenue	$38.5	$35.6	$91.9		
ELIIR				$100.7	
RTP				$11.7	
ELIIR2 / 2P-RTP					$124.9
Total Industrial	**$156.0**	**$164.9**	**$233.2**	**$269.8**	**$293.9**
Other					
Municipal	$14.7	$16.3	$12.9	$15.0	$16.6
Unmetered	$14.8	$16.7	$18.5	$24.4	$24.2
Total Other	**$29.5**	**$33.1**	**$31.4**	**$39.4**	**$40.7**

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Response IR-27: (cont'd)

Requested Year	1990	1995	2000	2006 Rate Case Present Rates	2006 Rate Case Proposed Rates
Available Test Year	1992	1996	2002	2007	2007
In Province Electric Revenue	$695.5	$754.8	$918.0	$1,096.1	$1,178.2
Export Sales				$8.5	$8.5
Total Electric Revenue	$695.5	$754.8	$918.0	$1,104.6	$1,186.7

Notes:

1) Figures presented reflect whole numbers which may incur $0.1M in rounding differences on some line items

e. The following table was created from the Conference Board of Canada and Statistics Canada data.

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Response IR-27: (cont'd)

Year Quarter	NS Population	Year Quarter	NS Population
2006.1	936,996	2011.1	934,906
2006.2	936,849	2011.2	934,776
2006.3	936,743	2011.3	934,642
2006.4	936,655	2011.4	934,504
2007.1	936,573	2012.1	934,363
2007.2	936,490	2012.2	934,216
2007.3	936,402	2012.3	934,065
2007.4	936,311	2012.4	933,909
2008.1	936,216	2013.1	933,751
2008.2	936,118	2013.2	933,585
2008.3	936,016	2013.3	933,415
2008.4	935,910	2013.4	933,239
2009.1	935,798	2014.1	933,060
2009.2	935,685	2014.2	932,873
2009.3	935,567	2014.3	932,679
2009.4	935,447	2014.4	932,478
2010.1	935,372	2015.1	932,274
2010.2	935,295	2015.2	932,060
2010.3	935,164	2015.3	931,839
2010.4	935,030	2015.4	931,611

Revenue generated from the residential class results from growth in the residential sector (NSPI's forecast is shown in Appendix F, page 12 of the Direct Evidence) and approved rates.

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: AEC

Question IR-28: **In relation to IR 2, please provide an explanation for the growth in electrical heating customers, during a period when NSPI estimates an overall decrease in the number of residential customers.**

a. Please provide a summary of the efforts NSPI is making to educate residential customers regarding the overall efficiency of electrical heat.

b. Please provide a breakdown of customers who use electricity as their primary heat source by housing type (eg. own home or rental).

Response IR-28: NSPI does not forecast a decrease in the number of residential customers. Please refer to AEC IR-27.

a. NSPI promotes the wise and efficient use of the following electric-based space heating system equipment:

- Air Source Heat Pumps - refer to AEC IR-28a Attachment 1
- Electric Thermal Storage - refer to AEC IR-28a Attachment 2
- Electronic and programmable thermostats - refer to AEC IR-28a Attachment 3

These systems are promoted in a number of ways including:

- Home Shows
- Consumer Seminars
- R2000 Showcase of Homes
- NSPI Website
- Call centre staff who are dedicated to this function

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: AEC

Response IR-28: (cont'd)

b. NSPI does not collect information on whether a customer owns or rents their home.

Heat Pumps

Healthy indoor air and year-round comfort.

If you are considering alternative options for heating and cooling your new home or looking for ways to reduce heating bills and improve your air quality, a high-efficiency air source heat pump is your solution.

Benefits

A heat pump provides year-round climate control, producing even, comfortable heat in winter and air conditioning in summer. It dehumidifies, too, reducing mould and excess moisture that can invade walls and window frames and result in serious repairs.

A heat pump also filters the air to reduce irritants that could aggravate breathing problems. And it's a non-combustible heat source so it uses no flames, no fuel and produces no fumes. That's why the Lung Association of Nova Scotia includes heat pumps in their Formula for Healthy Indoor Air.

Heat pumps are as affordable as any other heating system. For every unit of energy used, they can produce over three units of heat. This efficiency makes them cost-effective. In fact, you can heat and cool your home for about the same annual cost as other heat-only systems.

How a Heat Pump Works

The system works on a simple principle. The heat pump absorbs heat from the outside air in winter and circulates it in your home through ductwork. In the summer it works in reverse, removing heat and humidity from your home and releasing it outside.

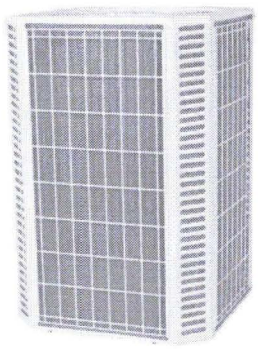
The heat pump meets the full heating requirements of the house at an outside temperature of -4°C or warmer. This is commonly referred to as the balance point. A back-up heating source provides supplementary heat at temperatures below the balance point.

Types of Heat Pumps

The back-up heating source depends on whether the unit is an add-on or all-electric. Add-on heat pumps are designed to be used in conjunction with another heating system such as an oil or electric furnace. An all-electric air source heat pump comes equipped with its own electric back-up built in. If the heat pump is all-electric, the electric back-up source automatically provides supplementary heat as required, maximizing efficiency and saving money. Over the entire winter, the electric back-up will provide approximately 15% of the total heating needs.

If the heat pump is an add-on, it will shut off if the outside temperature drops below the balance point, and only the furnace will heat the home. Adding a heat pump to a forced-air furnace will optimize the efficiency of the heating system.

Installation, Service and Maintenance



A properly installed heat pump will maximize your heating and cooling efficiency and provide years of maintenance-free service. Nova Scotia Power can recommend certified installers and quality heat pumps that are backed by comprehensive warranties. Once installed, arranging for a qualified firm to service the heat pump will keep it operating at peak efficiency and extend the life of the components. Annual service plans are available from heat pump contractors for approximately the same cost as furnace service plans.

For more information, call one of our Energy Advisors at 1-800-428-NSPI (6774) (428-6774 in Metro Halifax) Weekdays 8 a.m. to 8 p.m. or Saturdays 9 a.m. to 5 p.m.

Or visit our website at www.nspower.ca

Nova Scotia Power Inc.
P.O. Box 910
Halifax, NS
B3J 2W5

Call the Lung Association for more information on lung health at 902-443-0912

Partners for Healthy Indoor Air

Lung Association Nova Scotia

NOVA SCOTIA POWER An Emera Company

Electric Thermal Storage

A clean, affordable and comfortable heating solution.

You get a lot more than home heating with an Electric Thermal Storage (ETS) system. You get access to Nova Scotia Power's Time-of-Day rates. And that can add up to major savings!

What is the Time-of-Day (TOD) Rate?

Nova Scotia Power offers a Time-of-Day (TOD) rate as an optional rate available to residential customers. Customers who qualify for the rate, can take advantage of low-cost electricity by focusing on the time-of-day the energy is used. The rate reflects the actual cost to generate the electricity and provides low-cost electricity during "off-peak" energy times. Various electric-based heating systems qualify for use with the TOD rate by storing heat and releasing it through appropriate timing and controls.

What do you mean by "off-peak" times?

There are different times throughout the day, and different seasons throughout the year when demand for electricity is higher. Nova Scotia Power must be able to produce and distribute enough electricity to meet these high demand "peak" times, but during low-demand or "off-peak" times, there is plenty of generating capacity available. To encourage customers to use the majority of their electricity during "off-peak" times, Nova Scotia Power offers the TOD rate.

How can I use the majority of my power "off-peak"?

There are various electric-based space heating systems that qualify for use with the TOD rate because they draw energy during low cost "off-peak" times and store the heat for release later in the day. This is known as thermal storage.

A traditional electric-based space heating system uses power on demand and draws electricity as it is needed, when it is needed. An electric-based thermal storage space heating system draws the majority of its energy during "off-peak" times and therefore saves you money.

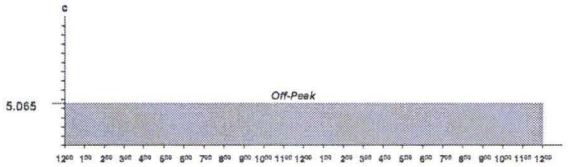
How can I save money with these rates?

Your electric space heating and hot-water systems account for the majority of the electricity you use, so a significant way to save money is by using electricity at times when the lowest rates are in effect. You can do this automatically by using thermal storage for space heating and controlling your electric water heater. It's easy to cut costs even more by using appliances like your washer, dryer and dishwasher during the "off-peak" period. Optional appliance controls can help you do this automatically. All these things mean savings on your total electricity bill!

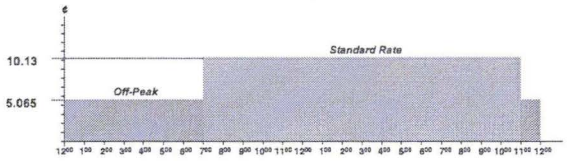
Time-Of-Day Energy Charges

Cost is measured in ¢/kWh

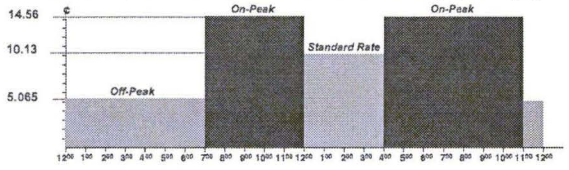
ALL YEAR - Weekends & Holidays (115 days)



MARCH – NOVEMBER – Weekdays (182 days)



DECEMBER, JANUARY, FEBRUARY – Weekdays (68 days)



Time of Day Rate Base Charge: $18.82/mth

Standard Residential Rate:	Base Charge: $10.83/mth Energy Charge: 10.13¢/kWh (24hours/365 days)

All costs based on rates of March 10, 2006.

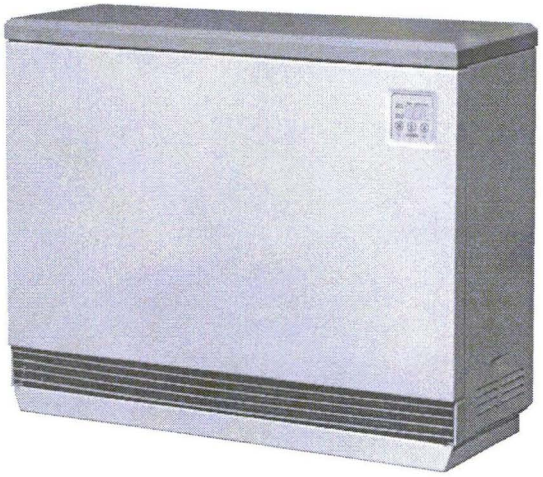
How do you know what to bill me?

Qualifying customers will have their regular meter replaced with a Time-of-Day (TOD) meter. A TOD meter records the amount of power used, the time of day the usage occurred, and the season that we are in. The TOD meter even keeps track of all holidays when power is half the standard residential rate. The TOD meter measures all activity requiring power and the customer is billed at the cost in effect when the power is used. As an example, a TOD customer doing their laundry on a weekday during the "on-peak" period is paying a premium price for the power they use. The same load of laundry during the "off-peak" is at half of the standard residential rate.

How can I qualify for the TOD rate?

In order to qualify for the TOD rate you must have an electric-based space heating system that has the capacity to store heat with appropriate timing and controls in place approved by Nova Scotia Power.

Electric Thermal Storage heating systems are available as central heating systems (forced warm air, hot water baseboard, in-floor radiant or heat pump with back up ETS) or individual room units. ETS is exclusively electric with all the advantages of electric heat - clean, safe, comfortable, healthy heat - at a great savings over regular electric and oil heat costs. Unlike oil-fired heating systems, there's no open flame or fuel storage tanks.



Comfortable And Simple.

ETS is a relatively new heating concept in North America, but not a new technology. It has been used successfully in Europe for more than 40 years. The system works much like a thermos bottle, allowing the storage of heat until it is needed.

ETS automatically delivers savings by storing up heat at night, when low rates apply. You save money keeping your home cozy and comfortable round the clock.

A system that's right for you.

There are a number of electric based thermal storage systems that qualify for the TOD rate, such as Steffes Corporation's Electric Thermal Storage (ETS) room unit heaters or ETS Central heating systems (hot water or forced warm air). If you find warm and cozy floors appealing, you may want to consider an in-floor radiant thermal storage system. If the idea of having a system that keeps you warm all winter and air-conditioned all summer, a combination heat pump/ETS system may be just what you are looking for.

And Nova Scotia Power offers easy on-bill financing to approved customers. Whether you are building a home or renovating your existing home, ETS is an affordable alternative and a ***warm way to save cold cash*** on your heating costs.

How Do I Find Out More?

For information on Nova Scotia Power's Time-Of-Day rate and lease-to-own financing, call 1-800-428-NSPI (6774) or visit www.nspower.ca. To learn more about Electric Thermal Storage heating systems contact an ETS contractor in your area. You can locate a contractor by visiting our website.

For more information, call one of our
Energy Advisors at 428-NSPI (6774) in HRM,
(1-800-428-NSPI Outside HRM)
Weekdays 8 a.m. to 8 p.m. or
Saturdays 9 a.m. to 5 p.m.

Or visit our website at www.nspower.ca

Nova Scotia Power Inc.
P.O. Box 910
Halifax, NS
B3J 2W5

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Electric Heat

Being comfortable with electric heat.

Most people are looking for ways to reduce costs and improve the comfort of their homes. Here are some easy ways to control your electric heat to maximize comfort and minimize costs.



Modern, state-of-the-art thermostats are more sensitive and responsive than older models. When you avoid big swings in temperature in your home, your heating system doesn't have to work as hard to bring the heat up to your comfort level. That means the right thermostat can potentially save you 7% to 12% on your heating bill.

Types Of Thermostats

Programmable Electronic
This type of thermostat can be programmed to automatically set a temperature whenever you wish. Many models are accurate within 0.5°C of the set point. These models offer "custom comfort" according to your daily schedule. For example, program your bathroom to be heated in the morning. Or your family room to be warm when you arrive home from work.

Time-based programmable thermostats have the potential for significant savings for your heating budget – up to 30%.

Line Voltage Dual Diaphragm Thermostat
This precise, sensitive thermostat can maintain a comfort level at a lower temperature setting. That means savings for you. This type is appropriate for every room in your house.

Line Voltage Electronic Thermostat
This thermostat uses a solid-state sensing component to ensure fast response time and correction of temperature changes in your home. It is appropriate for high-use living areas.

Low Voltage Thermostats
These types of thermostats are generally used for central heating systems and provide good control.

Options	Line Voltage Dual Diaphragm	Line Voltage Electronic	Programmable
Electric Baseboards			
Cottage*	Good		
Basement*/garage	Good		
Bedrooms	Good	Better	
Bathrooms	Good	Better	
Main Bedroom		Better	Best
Main Living Areas		Better	Best

*Should have an 'off' position.

Other Temperature Tips

1. Thermostats located in uninsulated basements and garages should have an "off" position. Otherwise, the heater will stay on during the coldest days.
2. Keep the rooms in your house at close to the same temperature setting (within 2°C). This will avoid drafts and long waiting periods for the room to heat up.
3. Comfortable Thermostat Settings:
   21°C (70°F) when relaxing
   18°C (64°F) when sleeping
   16°C (61°F)when no one is home

   For every degree the thermostat is set above 21°C (70°F), energy use and cost will increase 2 – 2.5%.
4. There is a significant difference between air exchangers and heat recovery ventilators (HRV) in terms of comfort and operating costs. Air exchangers circulate cold air around your home. A heat recovery ventilator (HRV) preheats incoming fresh air, so it reduces your heating costs.

   A heat recovery ventilator that can recover 80% of the heat from outgoing air can save $150 to $450 in heating costs compared to an air exchanger with no heat recovery.
5. When your basement is uninsulated, heat flows through the upstairs floor to the basement. That causes cold floors, drafts and increased heating costs. The heat you lose through an uninsulated basement is the same as having an 18" hole in your basement wall.
6. A heated room next to an unheated room or garage will lose heat. Insulate between them to keep the heat in.
7. Sealing and caulking are important ways to keep comfortable and reduce costs. The basement sill plate is the largest source of air leakage in the home and should be carefully installed and sealed. Another 20% of the air leakage is through electrical outlets on exterior walls. Use foam gaskets and caulking to keep the heat in around the outlets.

For more information, call one of our Energy Advisors at 1-800-428-NSPI (6774) (428-NSPI in Metro Halifax) Weekdays 8 a.m. to 8 p.m. or Saturdays 9 a.m. to 5 p.m.

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Nova Scotia Power Inc.
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Halifax, NS
B3J 2W5

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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: AEC

Question IR-29: **Please provide the proportion of residential consumers who depend on the charitable rate, seasonal rate and time of day rate as outlined in the Response to IR 5.**

a. Please explain "charitable rate" and provide a reference in the regulations to this rate.

Response IR-29: The percentage breakdown of customers using rates included in the Residential class as of September 30, 2006 is as follows:

Residential Sector	Count	Percentage
Domestic Households	392,500	92.1
Seasonal Customers	27,700	6.5
Time-of-Use Customers	3,600	0.8
Charitable Rate Customers	2,500	0.6
TOTAL	**426,300**	**100.0**

a. The Charitable rate referenced in AEC IR-5 refers to commercial customers who qualify under Section 73 of the Public Utilities Act. Qualifying charitable organizations such as senior citizen's clubs, service clubs, volunteer fire departments, Royal Canadian Legions, community halls, recreational facilities owned by the community and used for community purposes, and charitable or religious

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: AEC

Response IR-29: (cont'd)

institutions are to be billed at a rate that does not exceed NSPI's Domestic Service tariff.

Please refer to Attachment 1 (Section 73 of the Public Utilities Act, R.S.N.S. 1989, c380, as amended).

Chapter 380 of the Revised Statutes, 1989, of the Public Utilities Act, as amended

Interpretation of Section

73 (1) In this Section, "municipality" means a municipality as defined by the *Municipal Affairs Act.*

Application of Section

(2) This Section does not apply to a customer that is the Government of Canada, the Province or a municipality or any of their departments, organizations or agencies.

Domestic rate or charge in certain cases

(3) Subject to subsection (4), the rate or charge for electric energy supplied by an electric public utility to a customer that is a senior citizens club, service club, volunteer fire department, a Royal Canadian Legion, community hall or recreational facility owned by a community and used for general community purposes, a charitable or religious organization or institution shall be at a rate or charge not in excess of the domestic rate.

Application of subsection (3)

(4) Subsection (3) applies only to a customer for energy supplied on or after the fifth day of May, 1978, and upon an application from that customer.

Extension of application of subsection (3)

(5) The Governor in Council may by order in council extend the application of subsection (3) to other organizations or institutions that are similar to or like those named or referred to in subsection (3). R.S., c. 380, s. 73.

NOVA SCOTIA UTILITY AND REVIEW BOARD

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: AEC

Question IR-30: **In reference to IR 8, please provide the following:**

a. the number of residential consumers who entered into a single settlement agreement in 2005 and 2006;

b. an estimate of the total number of customers in 2005 and 2006 who entered into at least one settlement agreement with NSPI as a result of having arrears or late payment problems;

c. please confirm that these "settlement agreements" are the same as the "payment agreement" under regulation 6.5.

Response IR-30: a. The number of residential consumers who entered into a single settlement agreement was:

2005	27,971
2006	26,346 (to October 31st)

b. Customers enter into settlement agreements when they are unable to pay the amount owing in arrears as per NSPI Regulation 6.5. Please refer to part a.

c. These "settlement agreements" are the same as the "written payment agreements" under Regulation 6.5.

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: AEC

Question IR-31: **In reference to IR 9, please provide the following:**

a. the average cost of a disconnection for a residential customer in 2005 and 2006 (YTD)?
b. What determines the method of final notice delivery for a customer?
c. Clarify whether a customer pays for multiple visits by NSPI staff for purposes of delivery of multiple notices;
d. an estimate for the final 2006 figures for disconnections and a percentage change between 2005 and 2006 figures;
e. an explanation for the change between 2005 and 2006 in the number of disconnections;
f. the total revenue received by NSPI in 2005 and 2006 in relation to the miscellaneous charges for disconnections, including all expenses relating to notices, service, disconnection and reconnection;
g. the percentage change in this revenue between 2005 and 2006.

Response IR-31:

a. NSPI does not track this information. Please refer to AEC IR-9k for the cost per disconnect.

b. All customers who receive a final notice of disconnection are notified first by mail and second with follow-up telephone calls from an NSPI Customer Service Representative (CSR). If, after three attempts, the CSR is unsuccessful at contacting the customer to confirm receipt of the notice, or if the customer indicates that they did not receive the notice, the CSR may decide a new final notice should be delivered by registered mail or by NSPI field staff. If a final notice is delivered to a customer by registered mail

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: AEC

Response IR-31: (cont'd)

but is not signed for, the CSR will have the final notice delivered by NSPI field staff.

c. Yes, a customer pays for each visit by NSPI staff for purpose of delivery of final notices.

d. NSPI does not forecast the number of disconnections. Up to the end of October 2006 there have been 1,418 disconnections compared with 2,608 for the same period in 2005. This represents a 46 percent reduction year-to-date.

e. NSPI does not have any specific data or analysis on why the number of disconnects is reduced from 2005.

f. The total revenue received for miscellaneous charges for notices and reconnections was $145,000 in 2005 and $104,000 year to date (up to October 31st) in 2006.

g. There has been a 13 percent reduction in revenue associated with miscellaneous charges for notices and reconnections. (Year to date October 31, 2005, $119,000, Year to date 2006, $104,000).

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: AEC

Question IR-32: **In relation to IR 11, please provide an explanation for the growth in multiple notices from 288 to 318 between 2005 and 2006 given the drop in the number of disconnections over the same period.**

Response IR-32: NSPI continues to work with all of its customers who have overdue balances through negotiation of settlement agreements. As shown in AEC IR-30, the number of settlement agreements is expected to increase from 2005 to 2006. The increase in settlement agreements has yielded increases in the number of broken arrangements and multiple disconnect notices.

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: AEC

Question IR-33: **In relation to Regulation 6.6, please provide the following:**

a. The number of residential customers from whom NSPI requested deposits in 2005 and 2006;

b. The number of residential customers who received a refund on their deposit as a result of the Company deeming the "deposit as no longer required" (and not as a result of a cessation in service);

c. The number of customers who received an exemption from having to pay a deposit, based on their source of income;

d. Please provide details of NSPI's interpretation, policy and staff training on the term "bad credit relationship" in Regulation 6.6;

e. Please confirm that NSPI does not provide electrical service to new accounts for residential customers with a "bad credit relationship" unless they:

i. Pay all outstanding arrears;
ii. Provide a deposit.

Response IR-33: a. Please refer to CA IR-74.

b. NSPI refunded 1,216 residential customer deposits in 2005 and 1,470 year to date November 29, 2006.

c. NSPI does not track this information.

d. The following circumstances would represent a "bad credit relationship" between NSPI and a customer:

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TO: NSPI

FROM: AEC

Response IR-33: (cont'd)

i. The customer's service had been previously disconnected for non-payment;
ii. The customer has obtained, or attempted to obtain, service through misrepresentation, tampering, theft, interference or any other related illegal means;
iii. The customer has received a final notice of disconnection from NSPI in the last 12 months;
iv. The customer has broken more than two payment arrangements on the same outstanding balance;
v. The customer has a record of moving without notice;
vi. The customer has filed for bankruptcy and has chosen to claim their electric service account in the bankruptcy.

e. In general this is true. There are instances where NSPI will ask for 50 percent of the arrears to be paid up front and allow payment arrangements on the remaining 50 percent.

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: AEC

Question IR-34: **In relation to IR 17, please provide the following:**

a. The source of the "corporate contribution" (is it from Emera or NSPI, and is this contribution paid for by company shareholders, through a reduction in profits, or by ratepayers, through the company's revenue requirement?)

b. Please explain the increase in the contribution between 2005 and 2006 (YTD) from $36,788 to $250,000 and provide all minutes, memorandum correspondence or other documentation in which this increase or the requirement for financial assistance for low income programs is discussed;

c. Please explain the change in number of customers assisted over the time period of this program;

d. Please confirm that NSPI is not privy to any research which would define the actual extent of the demand for financial assistance of the type provided by the Good Neighbour Program;

e. Please confirm that the corporate contribution reflects the fact that low income residential customers require financial assistance in paying their electricity bills;

f. Please confirm that the corporate contribution reflects NSPI's continued view that electrical service is an essential service in Canada in order to maintain adequate living standards; if this view has changed, please explain.

Response IR-34: a. The "corporate contribution" was made by the Company, not by customers. The contribution is not included in NSPI's regulated revenue requirement.

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FROM: AEC

Response IR-34: (cont'd)

b. The increase was based on the Company's recognition that dramatically increasing world energy prices could force many families to pay more for day-to-day essentials including home heating, gasoline, electricity and oil.

c. The change in number of customers assisted is related to the greater corporate contribution.

d. NSPI has the following information regarding demand for the program, as provided by the Salvation Army:

Year	Number of Applicants	Number of Families Assisted with Electric Heat	Number of Families Assisted with Non-electric Heat	Number of Families not approved due to lack of Funding	Number of Families not approved due to non-eligibility
2003	482	81	281	63	57
2004	589	102	415	13	59
2005	460	107	308	14	31
2006	1027	144	801	0	82

NSPI does not have information related to the demand for similar support which may be offered by other groups.

e. The suggestion is incorrect. Please refer to part b.

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Response IR-34: (cont'd)

f. NSPI views electricity as an essential service. The basis for the increased contribution is provided in part b.

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: AEC **REDACTED**

Question IR-35: **In respect of IR 19, please provide any and all minutes, reports, correspondence or other documents to which NSPI has access concerning:**

a. the "interdepartmental working group" referred to in the May 16, 2005 correspondence from Marion Tyson, Deputy Minister;

b. negotiations or other consultations between with the provincial government regarding credit and collections issues the last rate increase

c. rate assistance, weatherization or any other issues affecting low income consumers since the last rate increase.

Response IR-35:

a. NSPI has no information on this working group.

b. Over the past year, NSPI has had a number of discussions with the Department of Community Services (DCS) and the Affordable Energy Coalition (AEC), on the subject of NSPI's Credit and Collections policies and practices, and how they might be improved, with a particular emphasis on our low income customers.

Confidential Attachment 1 provides documentation of recent correspondence with the Board on this subject, which also includes correspondence with AEC and DCS.

c. Please refer to AEC IR-12 part b and AEC IR-37.

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TO: NSPI

FROM: AEC

Question IR-36: **Please provide the most recent Edison Electric Institute report and survey concerning electrical rates and pricing.**

Response IR-36: The report requested, Edison Electric Institute's Typical Bills and Average Rates Report (Summer 2006) is protected under copyright. The document is available for viewing at NSPI offices.

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: AEC

Question IR-37: **Please provide all information held by NSPI concerning:**

a. low income energy assistance programs to help residential consumers with their lighting and/or heating costs, offered by government or charities in Nova Scotia;

b. energy efficiency offered by government or charities in NS for the same purpose.

Response IR-37: NSPI does not have detailed or current information on all energy assistance provided to low income residential consumers by government or charities, however NSPI is aware of the following:

a. Financial assistance for energy costs:

- Provincial government HST rebate on energy cost - (see www.gov.ns.ca)
- NSPI's Good Neighbour Energy Fund - (see www.nspower.ca)
- Share the Fuel program - a heating assistance program administrated by The Salvation Army through the HRM Social Services branch. Several oil companies donate oil each year. Each eligible family may receive up to 460 litres of furnace oil.

b. Energy Efficiency programs:

- Conserve Nova Scotia offers the Nova Scotia EnerGuide for Houses Program. Householders can get a grant of up to $2,000 for energy efficient repairs and receive an energy savings kit, which can provide up to $100 in energy savings. A rebate of the $150 audit fee and an additional $400 grant is available for low income householders.

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: AEC

Response IR-37: (cont'd)

- Approximately 40,000 energy savings kits were provided to low income households as part of the province's Keep the Heat program.
- As part of the Keep the Heat program, they also provided furnace tune-up vouchers to low income households.
- The Keep the Heat program also had a thermostat replacement component that provided for the installation of approximately 7,500 Electronic Programmable thermostats in approximately 2,500 low income households.
- Clean Nova Scotia is embarking on a pilot program for low income homeowners called Energy Efficiency for Low Income Housing. The 30-home pilot program will provide all materials and labour to complete energy upgrades identified as part of an EnerGuide for Houses evaluation. No costs are passed on to the homeowner, however the participant is required to provide 30 volunteer hours to assist the contractor in completing energy upgrades, doing air-sealing and attending workshops on energy efficiency.
- Conserve Nova Scotia and NSPI are partnering to have two Compact Fluorescent Lamps (CFLs) included in the 4,200 food baskets currently being prepared by Feed Nova Scotia.

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: AEC

Question IR-38: **Please explain NSPI's understanding of the concept of "energy burden".**

Response IR-38: NSPI is familiar with the term "energy burden" being defined as energy costs as a percent of income.

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: AEC

Question IR-39: **In relation to UARB IR 39, please explain why the response to these questions are "confidential" and why the information cannot be provided by way of confidentiality agreements for redacted information.**

Response IR-39: Parts of UARB IR-39 were redacted in error. This response has been re-filed.