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: Avon **REDACTED**

Question IR-67: **In regard to UARB IR-24 (b) Please provide a breakdown of the "additional transportation charges" for petroleum coke to the various plants listed there. Indicate which part of the transportation charges involves terminal charges, what involves rail/trucking and indicate any other handling or transportation charges.**

Response IR-67: Please refer to the table below.

($/MT CAD)	
Terminal Fee Land (Rail/ Trucking) Transport Miscellaneous Handling	
Total Delivered Costs by Plant	

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: Avon

Question IR-68: **In regard to UARB IR-24 (b) Please indicate whether the "additional transportation charges" provided in your answer for petroleum coke are the same for coal. If different, please breakdown the coal transportation charges by terminal handling costs, rail and specify any other handling or transportation costs involved.**

Response IR-68: The additional transportation charges are the same for coal.

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: Avon **REDACTED**

Question IR-69: **In regard to the new [redacted], please indicate the 2006 rail rates on a per tonne of coal basis [redacted]. Please separate out transportation costs under the rail agreement from any additional charges such as allocation of the railcar lease payment.**

Response IR-69: The response to this question is confidential.

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TO: **NSPI**

FROM: **Avon** **REDACTED**

Question IR-70: **In regard to the new rail contract with [redacted], please indicate whether NSPI anticipates incurring the penalties provisions of [redacted]**

Response IR-70: NSPI does not anticipate incurring the penalty provision of [redacted]

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RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: Avon **REDACTED**

Question IR-71: **In regard to fuel switching at Tufts Cove, please indicate the minimum time period for which a switch from HFO to gas or the reverse is practical.**

Response IR-71: The response to this question is confidential.

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RESPONSE TO INFORMATION REQUEST

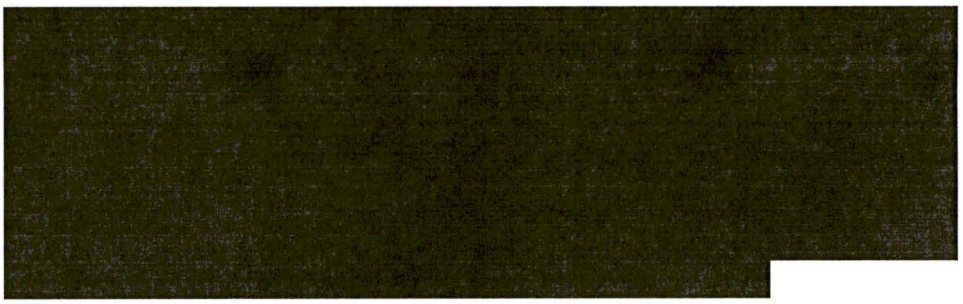
TO: NSPI

FROM: Avon **REDACTED**

Question IR-72: **Please indicate what steps NSPI is taking to extricate itself from the "U.S. coal pricing trap" for coals out of South America. How effective have such measures, if any, been to date?**

Response IR-72: NSPI cannot identify the source of the quote "U.S. coal pricing trap". Based upon discussions with Counsel for Avon et al, NSPI understands that the question addresses the *North American premium* to which NSPI has referred in its response to Liberty IR-64.

Pricing for steam coal traded in the Atlantic is set at the European gateway at Amsterdam, Rotterdam, and Antwerp (ARA). In theory, the market prices for South American coals are the ARA price less freight from South America. The North American premium refers to the amount above this netback price that South American producers are able to realize from North American customers.





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TO: NSPI

FROM: Avon **REDACTED**

Question IR-73: **Please indicate in US$ per barrel the HFO price for each month for 2006 to date paid by NSPI and the price assumption for 2007.**

Response IR-73: Please refer to Table 1 below.

Table 1 - Heavy Fuel Oil Prices paid or forecasted by NSPI

($/bbl USD)	Actual 2006	Forecast 2007
January	[redacted]	[redacted]
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

Note: ** - no oil consumed during this period.

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TO: NSPI

FROM: Avon **REDACTED**

Question IR-74: **Reference: Application, Page 8, Line 3**

In 2007, load is forecast to be 1 percent higher than 2006c....This additional load adds [redacted] million to NSPI's overall fuel costs.

a. Please identify precisely the amount of the "1 percent" increase in GWh.

b. Based on Table 7, a 1% increase appears to be about 130 GWh. If this adds [redacted] million to fuel costs, it implies that the incremental fuel cost is about [redacted] Please explain the incremental generation sources and cost.

c. Appendix A, Tables 6 and 7, show forecast export sales of [redacted] GWh, which produce revenues of [redacted] million, or [redacted] MWh. If native load is as expensive as implied above, why is NSPI exporting at a lower rate?

Response IR-74: a. Referencing Cost of Service Exhibit 9A of Appendix G in the Direct Evidence and Appendix 3 in the Compliance Filing, the total energy requirement including sales, losses and exports, indicates a load increase of 118,889 MWh.

13,066,755 MWh - 2007 Total Energy Requirement
- 12,947,866 MWh - 2006C Total Energy Requirement
118,889 MWh

118,889 / 12,947,866 MWh = 0.92% increase.

b. Please refer to Liberty IR-86. The cost to serve the additional load in 2007 is [redacted].

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Response IR-74: (cont'd

c. The points in time at which NSPI exports energy are not generally coincident with the high-priced energy production periods to serve domestic load. Therefore the two numbers are not comparable.

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TO: NSPI

FROM: Avon **REDACTED**

Question IR-75: **Please provide a tabulation of NSPI's dispatch order for generation units, showing the expected fuel cost, heat rate curve (Btu/kWh) and dispatch order.**

Response IR-75: The response to this question is confidential

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TO: NSPI

FROM: Avon

Question IR-76: **Please provide a schedule showing hourly hydro generation for 2005 and 2006 to date.**

Response IR-76: This confidential information can be viewed at NSPI offices.

NSPI forecasts hydro generation in accordance with the Board approved methodology of a 23-year production average.