NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF AN APPLICATION by **Nova Scotia Power Incorporated** for approval of certain Revisions to its Rates, Charges and Regulations

BEFORE: Peter W. Gurnham, Q.C., Chair
Margaret A.M. Shears, Vice-chair
Kulvinder S. Dhillon, P. Eng., Member

ORDER

WHEREAS this Application was heard by the Board on January 22, 23 and 24, 2007, and the Board issued its Decision on February 5, 2007, which set out the requirement for Nova Scotia Power Incorporated (NSPI) to submit a Compliance Filing by February 15, 2007, and Intervenors to respond by February 22, 2007, prior to a final Order being issued by the Board in this matter;

AND WHEREAS the Board has considered the information in the Compliance Filing submitted by NSPI on February 15, 2007;

AND WHEREAS no response from Intervenors was received by the Board;

AND WHEREAS the Board is satisfied that the Compliance Filing reflects the Board's February 5, 2007 Decision with respect to the above-the-line rates;

AND WHEREAS the Board approves rate increases for above-the-line customers as follows:

Class	Average Increase (%)
Domestic	4.7
Small General	4.7
General Demand	2.0
Large General	4.7
Small Industrial	4.7
Medium Industrial	4.7
Large Industrial	4.7
ELI 2P-RTP	2.7*
Municipal	4.7
Unmetered	-4.3
Average	**3.8**

* ELI 2P-RTP increase as compared to 2006 ELIIR rate is 4.9%.

AND WHEREAS, pursuant to s. 45(1) of the *Public Utilities Act*, the Board approves the average Rate Base of $2,776.3 million and the Rate of Return on average Rate Base of 8.25% as set out in Appendix 2, Table 1 of NSPI's Compliance Filing;

IT IS ORDERED that:

1. NSPI's proposed revenue requirement as identified in the Board's February 5, 2007 Decision, which according to NSPI's Compliance Filing, totals $1,159.5 million, is approved;

2. The above-the-line rates are approved at the average rate increase by class set out above. The approved rates, which are effective for services rendered on and after April 1, 2007, for all above-the-line rate classes are attached hereto as Schedule "A";

3. The Regulations, attached hereto as Schedule "B", are approved effective April 1, 2007;

4. In future, if a settlement agreement is reached, all Intervenors should have an opportunity to meet with NSPI and other parties involved in the settlement agreement in a session designed to review and explain its terms and impact, prior to the commencement of the public hearing;

5. NSPI is to make concerted efforts to ensure only information which, without question, warrants filing on a confidential basis be designated as such;

6. The process concerning the review of operations will continue. The parties will make their submission no later than March 15, 2007, and the Board will then decide how to proceed;

7. NSPI is directed to continue to work to satisfy, well in advance of the FAM hearing, outstanding Board directives from 2005 and 2006 rate decisions including the affiliate audit and fuel recommendations made by Liberty;

8. The Board directs that the common equity ratio of NSPI be set at 37.5% for rate making purposes;

9. The Board fixes the rate of return on common equity at 9.55% with an earning range of 9.3% to 9.8%;

10. The Board will issue a separate decision with respect to the future compliance filing process;

11. A separate hearing process has been established to consider *Constitutional* and *Human Rights Act* challenges raised by the Affordable Energy Coalition and five individuals; and

12. Board staff will develop, for approval by the Board, standard filing requirements following consultation with NSPI and intervenors.

DATED at Halifax, Nova Scotia, this 6th day of March, 2007.

Elaine Wagner
Clerk of the Board