Nova Scotia Utility and Review Board

NSPI 2007 RATE APPLICATION

PRELIMINARY ISSUES LIST

The following issues will be dealt with in the public hearing on Nova Scotia Power Inc.'s ("NSPI") 2007 Rate Application, set to begin January 22, 2007:

1. **Fuel Related Issues (including experience since 2000):**

   - Deferred recovery Q1-2007 fuel costs;
   - Costs of light and heavy oil, coal, petcoke and natural gas;
   - Transportation and fuel handling, including costs of sea and internal freight;
   - NSPI's fuel management structure and procurement process;
   - Fuel acquisition - contracts and uncommitted quantities;
   - Hedging mechanisms;
   - Natural Gas sales including investigation of margin and affiliate transactions.

2. **Compliance with all Directives set out in Appendix C of the Board Order P-882 dated April 12, 2006 and Appendix E of the Board Order P-881 dated May 19, 2005.**

3. **Deferred Items**:

   - Section 21 Tax Deferral;
   - Q1-2005 Tax Deferral;
   - Appropriateness of depreciation phase-in.

4. **OM&G Costs (including experience since 2000).**

5. **Financial Issues:**

   - Pensions;
   - Credit ratings;
   - Return on equity;
   - Capital structure;
   - Rate base and return on rate base.

6. **Existing Regulations and Proposed Changes.**

7. **Above the Line Rates:**

- Revenue to cost ratios;
- Miscellaneous charges;
- Rate adjustments.

8. **Below the Line Rates:**

- Proposed ELIIR-2 true up mechanism.

9. **Energy Sales, Net Generation, Gross Generation and Demand Forecast - 2007 compared to recent experience.**

10. **Expenditures related to Demand Side Management (DSM), Integrated Resource Plan (IRP), and Emergency Power Outage Response Measures.**

11. **Costs associated with pending UARB reviews.**

12. **The Compliance Filing Process.**

13. **Development of standard filing requirements and other changes such as timing of information request responses.**

14. **Review of results for 2006 including an analysis of unique developments that impacted 2006 (e.g., Stora Enso shutdown).**