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**

– and –

IN THE MATTER OF: **An Application by Nova Scotia Power Incorporated and a Hearing for approval of certain revisions to its rates, charges and regulations**

SUBMISSION REGARDING THE FUTURE COMPLIANCE PROCESS

FILED ON BEHALF OF STORA ENSO PORT HAWKESBURY LIMITED

AND

BOWATER MERSEY PAPER COMPANY LIMITED
("SEB")

RECEIVED
FEB 16 2007
Nova Scotia Utility
and Review Board

February 15, 2007

SUBMISSION OF SEB ON FUTURE COMPLIANCE PROCESS

1. In its recent Decision dated February 5, 2007, the Nova Scotia Utility and Review Board ("Board") provided that parties would have until February 15, 2007 to make submissions to the Board with respect to the Compliance Filing process, following which the Board would issue a decision.

2. On January 31, 2007, the Avon Group filed a Submission on this matter.

3. SEB is in general agreement with the position put forward by the Avon Group, namely that:

> ". . . Intervenors should be granted access to any alternative revenue allocation scenarios submitted by NSPI to the Board along with communications respecting these alternative scenarios, the Compliance Filing itself and any revisions, and should be afforded the opportunity to comment thereon all *in advance of* the Board rendering its Final Order."

4. As has become apparent from recent proceedings in which parties have had an opportunity to comment on NSPI's Compliance Filing (for example, the ELIIR-2 proceeding), significant issues can arise in the Compliance Filing phase of the process. The Compliance Filing phase is not solely an administrative application of the Board's Decisions, but rather can contain issues of interpretation and judgment, on which all parties' views should be heard if due process is to be observed.

5. As such, SEB believes that Intervenors should be provided the opportunity to comment on any Compliance Filing and associated materials provided by NSPI to the Board subsequent to the rendering of the Board's Decision in a proceeding but

prior to the rendering of its Final Order. In this connection we observe that, since Intervenors come at matters from different perspectives, it is often only with the full involvement of the Intervenors that issues of broad concern are brought to light.

6. In its recent October 16, 2006 Compliance Filing on the ELIIR-2 Rate, NSPI stated at pages 1-2:

> ". . . In accordance with the Board's Decision, NSPI sought direction from Dr. Stutz, with respect to the various aspects of the tariffs which were not directly addressed in the Board's decision, in the preparation of these tariffs. In the areas that were not specifically addressed, NSPI provided Dr. Stutz its recommendations as to how it believes these areas should be handled to comply with the Board's intentions.
>
> Dr. Stutz reviewed NSPI's recommendations, accepting some and rejecting others, and made decisions as to how each specific item would be put forward in this compliance filing. NSPI does not agree with all of the operational details of the tariffs provided here in compliance to the directives from Dr. Stutz. The Company believes these are important issues that remain to be addressed by the Board.
>
> NSPI will provide its further comments with respect to these compliance tariffs in a separate document to be filed within seven days, with the comments of other parties."

NSPI subsequently provided its further comments to the Board on October 23, 2006. SEB believes this clearly demonstrates the substantive issues that all parties, including the utility, believe can arise at the Compliance Filing stage of proceedings.

7. SEB notes that allowing a short period of review and comment by Intervenors would not add extensively to the process, but would provide greater transparency and procedural fairness.

All of which is respectfully submitted this 15th day of February, 2007.

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