Liberal
Michel P. Samson
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Interim Leader
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Nova Scotia
Utility and Review Board

Ms. Nancy McNeil
Regulatory Affairs Officer/Clerk
Nova Scotia Utility and Review Board
3rd Floor, Summit Place
1601 Lower Water Street
Halifax, Nova Scotia
B3J 3P6

Dear Ms. McNeil:

Re: Utility and Review Board Hearing for Nova Scotia Power Incorporated's Application for Approval of Certain Revisions to its Rates, Charges and Regulations – 2007 Rate Hearing – P-866

I am writing as a formal intervenor in response to the recent settlement reached by several intervenors in the Utility and Review Board's Nova Scotia Power (NSPI) 2007 Rate Application P-886. This letter is the closing submission of the Liberal Caucus in NSPI's Rate Application P-886.

The entire Liberal Caucus is never pleased to see Nova Scotians, who are already burdened with overwhelmingly high-energy costs, forced to deal with an increase in their electricity rates. However, we are pleased to see a settlement reached where Nova Scotians will see the expected power rate increase lower than what was initially anticipated.

A significant piece within the settlement will allow Nova Scotia Power to employ a Fuel Adjustment Mechanism (FAM) to adjust their power rates when significant fluctuations occur within the respective energy markets.

A hearing is scheduled to begin on a date no later than July 15, 2007 to specifically address the structure of the FAM. Without knowing the details regarding the FAM we will reserve comment to the board on the proposed mechanism until a later date. However, we did want to bring some issues to the attention of the board for consideration in the months leading up to the next hearing.

Many low income Nova Scotians are facing devastating choices because of the high costs of energy in our Province. This issue should not be taken lightly as many individuals are forced to choose between food, shelter, heat, medicine and healthcare services. The rising cost of fuel can be addressed in several ways by this government and by NSPI. The first of which is to employ a comprehensive Demand

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Side Management (DSM) program that would create an environment for Nova Scotians to control their energy costs through their own collective behavior.

Another significant point for consideration is the growing disparity in the income equality in Nova Scotia and the corresponding rising cost of electricity. We are increasingly growing into an environment where low-income Nova Scotians can no longer heat their homes. This needs to be addressed immediately through a formalized Cold Weather Rule as well as providing a separate rate structure for those who do not have the ability to pay the high price of the Domestic Rate Class.

Our Caucus believes that although the settlement was a supportable measure we do believe that NSPI and the UARB should immediately deal with issues surrounding energy efficiency, the ability of low income individuals to pay for current rates, and our vulnerability to highly volatile energy markets.

In closing, we are encouraged by the process that took place during the settlement in that a highly expensive rate hearing has been seemingly avoided. Having said that, we encourage the board and NSPI to deal with the matters outlined within this submission and we would certainly welcome any request for an audience on these matters.

Yours truly,



Michel P. Samson, M.L.A.
Interim Leader, Nova Scotia Liberal Party