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Request IR-1:

Reference: Page 2, 2015 DSM Amounts. "For 2015, DSM was established at $35 million plus any remaining DSM balance from 2013. NS Power will expense the 2016 amortization amount in its 2016 operating costs."

(a) **Please confirm that the 8-year amortization will be based on $35 million only, and not the DSM balance from 2013.**

(b) **What is the interest rate that NS Power plans to apply in the amortization?**

(c) **Provided EfficiencyOne is able to borrow the $35 million to repay NS Power, and can do so at an aggregate cost (interest and fees) less than NS Power's interest rate, would NS Power be prepared to enter into an agreement with EfficiencyOne to amortize and repay the $35M together with fees and interest and amortized financing over the 8 year deferral period?**

Response IR-1:

(a) NS Power confirms it will amortize the amount that was provided to EfficiencyOne (E1) for the provision of 2015 DSM programming.

(b) NS Power will apply its Weighted Average Cost of Capital to the amortization amount, consistent with other regulatory deferrals and the Company's overall cost of capital.

(c) NS Power would be pleased to have discussions with E1 once greater clarity than is presented in the hypothetical can be provided.

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Request IR-2:

Reference: Page 4, 2013 and 2014 Balance Adjustments. "As referenced above, the 2013 amount has been applied to DSM funding in 2015. NS Power suggests that the 2014 imbalance amounts should be dealt with in a similar manner.… An estimated variance analysis by class is provided in Appendix B."

(a) Please confirm that NS Power will deal with the 2014 Balance Adjustment of $8,518,030, by expensing the Net Contract Price of $24,691,970 in 2016, as provided in Schedule B of the Compliance Filing Supply Agreement (September 15, 2015).

Response IR-2:

(a) Confirmed.

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Request IR-3:

Reference: Page 4, True Up Proposals. “Although true ups do not have a direct impact on NS Power, the Company supports the manner in which true ups were managed when DSM was recovered through a rate rider. Essentially, a customer class rate rider amount was based on E1’s budget for that class and the true up would be based on the budget amount as compared to the actual amount expended by E1 on that class during the relevant period.” (Emphasis added)

(a) Please confirm that the above reference should say “actual amount collected” instead of “budget amount”.

Response IR-3:

(a) The Company’s intention in the referenced sentence is to reflect that collections should be based on budget and that the calculated variance for true-up is in fact the actual collections, based on the E1 budget allocated to rates by customer class.