2016 NSUARB-NSPI-P-M07151 / E-R-15

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: Nova Scotia Power DSM Cost Recovery Proposal dated December 18, 2015

INFORMATION REQUESTS

To: Nova Scotia Power Inc.

From: Small Business Advocate

Responses Due: January 25, 2016

Contact People: E.A. Nelson Blackburn, Q.C.
Blackburn Law
Small Business Advocate
Phone (902) 835-8544
nblackburn@blackburnlaw.ca

Issued at Bedford, Nova Scotia, this 11th day of January, 2016.

Date Filed: January 11, 2016

Request IR-1:

In a letter to the UARB dated December 18, 2015, NSPI provided, pursuant to the Board's letter dated December 3, 2015, additional detail regarding NSPI's specific cost recovery or accounting treatment proposed for specific DSM components ("NSPI's Dec 18th Submission"). The specific DSM components enumerated in the NSPI's Dec 18th Submission letter are:

(a) 2015 DSM programs;
(b) 2016-18 DSM programs;
(c) 2014 rate-smoothing adjustment;
(d) 2014 DCRR amounts currently in rates;
(e) 2013 Balance Adjustment;
(f) 2014 Balance Adjustment;
(g) true-up proposals

NSPI's Dec 18th Submission states on page 2 that the NSPI "views the approved DSM quantum of $102.2 million as a flow through expense to be fully recovered from customers" and "in accordance with section 79 M (5) of the Public Utilities Act."

i. Please identify the UARB Order approving the DSM quantum of $102.2 million, and also identify which of the enumerated DSM components are included in this quantum.
ii. In its review of the Public Utilities Act, Section 79 M (5) also references Sections 45. How does NSPI interpret Section 45 with respect to its decision to recover DSM costs as an operating expense for 2016 and separately for the 2016 – 2018 DSM programs during the 2017 through 2019 period?

Request IR-2:

NSPI, on page 3 of the Dec 18th Submission, states "given certain changes in the cost recovery model". Please identify the timing and nature of these changes

Request IR-3:

Also on page 3 of the Dec 18th Submission, please explain how the changes in the cost recovery model have "hampered" NSPI's ability to rebalance through the 2016 to 2018 DSM plan, and confirm that the term "rebalance" refers to the 2014 Rate Smoothing Adjustment or another enumerated DSM component. Does "rebalance" refer to timing or amount or both?

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Request IR-4:

NSPI also identifies its decision to not seek a general rate increase for 2016 as a contributing factor that "hampers" its ability to rebalance through the 2016 to 2018 DSM plan. Please describe, and, if possible, quantify the impact of this decision on its ability to rebalance assuming no change in the cost recovery model.

Request IR-5:

Refer to NSPI's option 3 on page 3 and explain how the class imbalances would be remedied via a general rate application other than the remedy being applied over a three year period.

Request IR-6:

How does NSPI's ability to rebalance through the 2016 to 2018 DSM plan preclude the under-recovered rate classes provided for under the 2014 Rate Smoothing Adjustment from repaying the interclass loan provided by over-recovery from other classes?

Request IR-7:

Please confirm whether each of the alternatives NSPI presents for consideration on pp. 5-6, as well as the reference on page 7 to "additional variations that could be considered", presume that the true up would be subject to the 75% class cost / 25% system cost allocation.

Request IR-8:

Please confirm that the method of allocation or true up mechanism is unrelated to whether NSPI is allowed by the UARB to charge any of the DSM components enumerated above as an operating expense.

Request IR-9:

Please explain why NSPI requests that the Board acknowledge points 1) through 3) on page 3? By doing so, is NSPI requesting:

i. Pre-approval to earn a return on 2015 and 2016 DSM cost recovery?

ii. Pre-approval to earn a return on DSM Costs recovered for any of the years 2017 through 2019?

Request IR-10:

Please provide the class specific balances of the interclass loans as of January 1, 2016. Also please confirm whether these class specific balances equal to the amounts shown in column K of the spreadsheet included with the December 18th letter as Attachment A. Please confirm the meaning of the positive and negative signs associated with each dollar amount in column K.

Request IR-11:

What are the alternative cost recovery mechanisms the Company is considering for DSM costs in 2017 through 2019?

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