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Delivered by E-mail

Crystal Henwood
Regulatory Affairs Officer/Clerk
Nova Scotia Utility and Review Board
3rd Floor 1601 Lower Water Street
PO Box 1692 Unit "M"
Halifax NS B3J 3S3

Dear Ms. Henwood:

Re: M10473 - EfficiencyOne ("E1") Application for Approval of a Supply Agreement for Electricity Efficiency and Conservation Activities between E1 and Nova Scotia Power Inc. (Demand Side Management (DSM) Plan 2023-2025)

These submissions are filed on behalf of the Industrial Group in relation to E1's Compliance Filing in this matter.

E1 appears to have appropriately responded to the Board's directives. The sole issue of note relates to underspending by E1 for 2019 and is, in part, related to NSPI's proposal for a DSM Rider in the General Rate Application (M10431). Appendix D of E1's Compliance Filing, Schedule B of the Supply Agreement sets out the Contract Price to be paid by NSPI allocated for each year of the Term. As stated, "The 2019 surplus of $273,174 will be refunded in 2023. The 2024 Net Contract Amount to be paid by NSPI will be adjusted to reflect any surplus, applicable to the 2020-2022 DSM Plan." Per the footnote, the "Surplus includes any underspend and interest earned."

The Industrial Group agrees that any underspend by E1 should be carried forward to future years. As this is a GRA year, this refund should be credited to customers so amounts collected in 2023, on which rates are set, reflect the net contract amount. And if a DSM rider is approved, likewise, the amount reflected in rates for 2024 and collected from customers will be adjusted by customer class to reflect any underspend by E1 over the period 2020-2022.

The issue which requires some direction either in this matter or the GRA is the treatment of any underspend in 2023. E1 has been approved for a three-year DSM plan. Table 13 (page 43 of 148) sets out the Rate Class Expenditures by Year:

Table 13: Rate Class Expenditures by Year

Rate Class	Settlement Plan Expenditures ($ million) by Rate Class			
	2023	2024	2025	2023-2025
Residential/Charitable (2,3,4)	28.2	31.7	34.5	94.3
Small General (10)	2.7	2.8	3.0	8.5
General Demand (11)	13.8	14.3	15.4	43.4
Large General (12)	2.4	2.4	3.1	7.9
Small Industrial (21)	1.8	1.8	1.9	5.6
Medium Industrial (22)	1.0	1.1	1.1	3.2
Large Industrial (23,25)	2.2	2.3	2.4	6.9
Municipal (24)	1.0	1.0	1.1	3.1
Unmetered (999)	0.03	0.03	0.03	0.09
Total	53.1	57.5	62.5	173.0

Includes EE, DR (E1 costs only), and Enabling Strategies investments

The DSM rider proposed includes an annual true-up of actual customer class spending by E1 (as reported by E1 to NSPI) and recovery in customer rates of the forecasted spend.

As between E1 and NSPI, it is unclear whether any variance adjustment to the Supply Agreement would be done on an annual basis (coincident with the application by NSPI to adjust the class DSM rider) or whether it would only be adjusted at the end of the three-year DSM Plan. If it is proposed to be done annually, then an amendment to the executed Supply Agreement may be required to enable this.

Thank you for the opportunity to submit these comments.

Yours truly,

Nancy G. Rubin

NGR/

cc All Participants in M10473