**M11094**

## NOVA SCOTIA UTILITY AND REVIEW BOARD

**IN THE MATTER OF:** **THE PUBLIC UTILITIES ACT**

- and -

**IN THE MATTER OF:** **EFFICIENCYONE (E1)** 2022 Audited Financial Statements – December 31, 2022

## INFORMATION REQUESTS

**To:** **EfficiencyOne**
James Gogan, Counsel
McInnes Cooper
By email: james.gogan@mcinnescooper.com

**From:** **Nova Scotia Utility and Review Board**
Board Staff

**Responses Due:** **Wednesday, July 12, 2023**

**Copies:** 1 electronic copy (PDF searchable)

**Contact Person:** **Valeria Lara, CPA**
Advisor
Nova Scotia Utility and Review Board
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Tel: (902) 424-4448
**Email:** Valeria.Lara@novascotia.ca

**Issued** at Halifax, Nova Scotia, this 20th day of June, 2023.

Crystal Henwood

Crystal Henwood, Regulatory Affairs Officer/Clerk

**Request IR-1:**

With regards to the Consolidated Statement of Operations, Demand Side Management Fund:

a) Please provide an explanation for the increase in incentives from $22 million in 2021 to $27 million in 2022.

b) Please provide an explanation for the increase in bad debt from $2,000 in 2021 to $52,000 thousand in 2022.

c) Please advise what caused the increase in salaries and benefits costs between 2021 and 2022.

   i. Has the number of employees at E1 increased or decreased in 2022? If so, please indicate the change.

**Request IR-2:**

With regards to Consolidated Statement of Operations and Provincial Fund, please provide an explanation for the increase in incentives from $24 million in 2021 to $31 million in 2022.

**Request IR-3:**

With regards to Consolidated Statement of Cash Flows, Demand Side Management Fund, please detail the reason for the increase in the change in accounts receivable balance.

**Request IR-4:**

With regards to Note 3 to the Consolidated Financial Statements - Revenue:

a) Please explain the increase from $34 million in 2021 to $41 million in 2022 in the fee-for-service revenue related to DSM fund.

b) Please provide an explanation for the increase in Provincial Fund from $32 million in 2021 to $36 million in 2022.

c) Please explain the increase to $41 million in 2022 from the approximately calculated $36 million per year ($110 million over three years) for the program.

d) Please explain why only $1.161 million was recognized as revenue in the year where the agreement provides funding of $124 million over five years or approximately $24.8 million a year.

e) Please provide a statement of operations (revenues earned vs expenses incurred) for the programs and grants in 2022 such as the ones mentioned in the note.

i. The Company has a deficit of $2,000 in the year, mainly due to “Other Business Fund” transactions. Are the additional programs and grants handled by the Company putting a strain on the operations and finances of the Company?

f) Please provide a table showing total annual and to date earned revenue and cash receipt for each program/contract since the start of each program.

g) What is the $15 million in endowment from FCM to be used on? Please explain its restrictions.

i. When will the amount be earned/spent?

h) Please explain why there was no payment related to the Green Fund in 2022.

**Request IR-5:**

With regards to Note 4 to the Consolidated Financial Statements - Investments:

a) Please explain how $60 million was determined to be excess cash to be invested in a GIC. Please also indicate its fund source: DSM, PNS or other business funds.

i. Is this a cashable GIC?

ii. Will the Company need to access these funds prior to May 10, 2023?

iii. How will the Company fund unexpected events if significant excess cash is invested?

**Request IR-6:**

With regards to Note 6 to the Consolidated Financial Statements – Investment in EfficiencyOne Services Inc., please explain the decrease of 93% in revenue for EfficiencyOne Services.

**Request IR-7:**

With regards to Note 8 to the Consolidated Financial Statements – Deferred Revenue, please explain why the provincial fund deferral of current year revenue is $70 million, compared to 2021 deferral of $40 million.

**Request IR-8:**

With regards to Note 10 to the Consolidated Financial Statements – Commitments, please explain the increase in the DSM Fund Share.

**Request IR-9:**

With regards to Note 11 to the Consolidated Financial Statements – Significant Events, please explain what the impact to the 2022 financials was as a result of the COVID-19 pandemic.

**Request IR-10:**

With regards to Note 12 to the Consolidated Financial Statements – Risk Management, please explain what specific events have increased the Corporation’s risk exposure.

**Request IR-11:**

Please explain why a copy of the 2022 T2 Corporation Income Tax Return was not filed.

a) Please include 2022 T2 Corporation Income Tax Return.