M11990

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: **AN APPLICATION by NOVA SCOTIA POWER INCORPORATED** (NS Power) for Approval of its WACC and AFUDC Rates for 2025

INFORMATION REQUESTS

To: Nova Scotia Power, Inc. (NS Power)

From: NS SBA

Responses Due: January 30, 2025

Copies: 1 electronic copy (PDF searchable)

Contact Person:
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Issued at Bedford, Nova Scotia on this 9th day of January 2025

Request IR-1: Refer to Exhibit N-1, NS Power's Application in M11990, p. 6, lines 18-21, and p. 8 at line 22, both quoted below and answer the questions that follow:

> "The predominant rating used by Commercial Paper investors in Canada is provided by the DBRS Morningstar (DBRS). NS Power's current Commercial Paper rating is R-2 (high) and is below the minimum credit rating of R-1 (low) required to participate in the Commercial Paper market. The Company received an exemptive relief from the requirement to have R-1 (low) rating in 2023." Exhibit N-1 p. 6, lines 18-21.

> "NS Power's debt is currently rated BBB (high) by DBRS and BBB- by S&P Global (S&P)." Exhibit N-1, p. 8 at line 22.

a) Please provide electronic copies of the most recent credit rating reports issued by DBRS and S&P Global (S&P) consistent with this current filing.

Request IR-2: Refer to Exhibit N-1, NS Power's Application in M11990, page 8, lines 11-13, which states: "The use of Bloomberg data strengthens the Company's rate forecast by incorporating a larger sample size of short-term interest rate estimates from a more diverse group of financial institutions."

a) Did the larger sample size of short-term interest rate estimates relied upon for this filing each come from separate financial institutions?
b) How did NS Power determine that the larger sample size was sufficiently diverse for the stated purpose?
c) How did NS Power make the selection from this larger sample size to preserve diversity?
d) Please explain in detail how the list of banks used to obtain the short-term interest rate forecasts provided in Figure 1, on page 8 satisfy the requirement included in the "Exemptive Relief" order filed in M11563, in response to SBA IR-1, Attachment 6.
e) Which of the banks included in the Board's quote on page 7, lines 27-32 are also included in the list of banks provided in response to d) above?

Request IR-3: Refer to Exhibit N-1, NS Power's Application in M11990, Appendix A, pp. 1-6:

a) Please provide an electronic copy of Appendix A in spreadsheet format with all cell formula intact.
b) Does Appendix A in both the Application and the spreadsheet format to be provided in response to a) above show how NS Power's short-term interest rate forecast methodology has been updated to reflect the Term CORRA benchmark reference rate? If not, please provide an explanation.
c) Please provide the source for the Term CORRA benchmark reference rate.