

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF: An Application by the **Town of Mahone Bay Electrical Utility** for approval of a capital expenditure request for the **Edgewater Project** at \$2,650,000

INFORMATION REQUESTS

To: **Dylan Heide**
Chief Administrative Officer
Town of Mahone Bay Electric Utility

dylan.heide@townofmahonebay.ca

From: **Board Staff**
Nova Scotia Regulatory and Appeals Board

Responses Due: **Thursday, September 24, 2026**

Copies: **1 electronic copy – pdf searchable**

Contact person: **Rianne MacDonell**
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Issued at Halifax, Nova Scotia, this 3rd day of September 2026

Crystal Henwood, Clerk of the Board

1 **Request IR-1:**

2 Please provide a brief narrative of the proposed project to describe the complete scope of the
3 project, including identification of the proposed length of the electrical distribution infrastructure.

4 a) Please provide a copy of the design drawings for the project.

5 Requested drawings have been uploaded along with this document.

6 b) Please confirm that the electrical distribution infrastructure is intended to be installed
7 underground.

8 Yes, the project includes underground electrical distribution infrastructure.

9 i. If confirmed, please explain why this infrastructure is intended to be installed
10 underground rather than overhead.

11 Primarily due to existing Nova Scotia Power transmission lines located on the
12 landward side of the relevant stretch of Edgewater Street (preventing Mahone Bay
13 Electric from erecting poles on the landward side). Additional rationale for
14 underground installation include: 1) protection from storm impacts (the relevant
15 stretch of Edgewater Street is significantly exposed to high winds including
16 hurricanes and the Edgewater Project included other climate adaptation
17 measures), and 2) aesthetic considerations (particularly in consideration of
18 existing NSPI transmission lines and overhead telecom lines in the area).

19 c) Please describe the electrical infrastructure that is to be replaced.

20 The new underground distribution infrastructure, connected to the rest of the
21 Town's distribution grid, serves properties on Edgewater Street from 165
22 Edgewater Street to 261 Edgewater Street and replaces existing distribution lines
23 in that area. New distribution infrastructure installed on Clearland Rd. serves
24 previously unserved – currently vacant – properties.

25
26 **Request IR-2:**

27 Are any electrical service connections to individual customers intended to be replaced as part of
28 the proposed project? Yes

29 a) If so, please identify the number of services to be replaced.

30 There are 12 existing services being replaced.

31
32 **Request IR-3:**

33 Please provide a detailed construction cost estimate for the project to include the following costs:

34 a) Electrical distribution infrastructure supply and installation;

35 b) Electrical service connections supply and installation;

- c) Reinstatement costs, broken out by street gravels and asphalt reinstatement, curb and gutter reinstatement, sidewalk reinstatement, and other reinstatement;
- d) Costs for engineering services, broken out by design, tendering and construction phase services;
- e) Utility related project administrative and overhead costs;
- f) Land purchase costs;
- g) Contingency; and
- h) Net HST.

Requested cost estimate provided by CBCL Ltd. has been uploaded along with this document.

Request IR-4:

Please identify the project cost premium to install the proposed electrical infrastructure underground rather than overhead.

Our estimate is that the electrical infrastructure would cost 35-50% more as a result of underground rather than overhead installation. While it is understood that this a lesser premium than might be considered typical for underground installation, for this project, we had the benefit of common excavation and reinstatement work with other works being undertaken by the Town, which is usually the majority of the cost in an underground project. Also, existing NSPI transmission lines located along the landward side of Edgewater Street would have imposed additional costs on new service laterals due to required clearances, had the Town's new distribution infrastructure been installed overhead. Wood pole costs have also increased quite significantly in recent years.

Request IR-5:

The application states the following "The project addresses the need to replace aging infrastructure on Edgewater Street which can no longer accommodate increasing demand, including servicing approximately 15 hectares of undeveloped properties. This project will also substantially reduce the frequency and duration of outages for existing customers in the project area by connecting these customers to the Town's primary distribution grid."

- a) Please explain how these existing customers are connected where they are not connected to the Town's primary distribution grid. Existing customers have historically been served from a separate distribution point connected to Nova Scotia Power's Oakland Grid; this infrastructure was not connected to the Town's primary distribution grid.
- b) Are these customers currently served by overhead or underground infrastructure? The existing infrastructure is overhead.

- 1 c) What is the age of the infrastructure the utility is proposing to replace? The existing
2 infrastructure is well over 40 years old.
- 3 i. What is the typical service life of such infrastructure? Less than 40 years, without
4 consideration of upgrades needed to meet customer demand. All existing
5 distribution infrastructure in the project area is fully depreciated.
- 6 d) What are the current outage levels associated with the existing electrical infrastructure to
7 be replaced, including the frequency and duration of outages experienced by existing
8 customers? Due to being connected to Nova Scotia Power's Oakland grid outages for
9 existing customers in the project area routinely exceed 48 hours with some outages in
10 recent years lasting over a week. In contrast outages on the Town's grid very rarely last
11 more than 24 hours. Outages have also been more common in this area.
- 12 i. What is the projected improvement in outage frequency and duration once the
13 proposed project is complete? It is anticipated there will be less outages, and the
14 duration of outages will be substantially reduced.
- 15 1. Please describe, in technical terms, how this project will achieve the
16 stated improvements in terms of lower outage frequency and duration.
17 Connecting the customers to the Town's primary distribution grid means
18 outages either: a) relate to Nova Scotia Power's transmission to the
19 substation which serves the Town (meaning NSPI places a relatively high
20 priority on reliability and restoration), or b) are within the Town's
21 distribution grid meaning power can be restored by our own technicians
22 who are always in the area and on standby (and have demonstrably
23 quicker restore times as a result).

24 **Request IR-6:**

25 The application states: "...other infrastructure work taking place on Edgewater Street presents
26 the opportunity to extend distribution infrastructure - avoiding challenges with existing
27 transmission infrastructure owned by Nova Scotia Power Inc. - at reduced cost."

- 28 a) Please describe the complete scope of work related to other infrastructure work taking
29 place on Edgewater Street. The uploaded drawings include the entire scope of work being
30 undertaken including electrical, water, wastewater, stormwater, transportation and coastal
31 protection infrastructure.
- 32 i. Please explain how this other work presents the opportunity to construct the
33 proposed electrical infrastructure at a reduced cost.
34 As noted above (IR-4) we had the benefit of common excavation and reinstatement
35 work. As noted below (IR-7), the Town is not seeking to recover these costs from
36 the utility in association with the underground electrical distribution installation (as

1 it is understood that reinstatement costs for water / wastewater work would have
2 been essentially the same without the electrical component).

- 3 b) Please provide an explanation of the statement, "...avoiding challenges with existing
4 transmission infrastructure owned by Nova Scotia Power Inc...".

5 Per the response to IR-4 above, existing NSPI transmission lines located along the
6 landward side of Edgewater Street would have imposed additional costs on new service
7 laterals due to required clearances.

- 8 c) Please describe the relationship between the proposed project and Nova Scotia Power's
9 transmission infrastructure.

- 10 i. Is the utility indicating that NS Power's existing transmission assets could have
11 supplied this area, but at a higher cost? Please explain.

12 No, as noted above, the presence of existing NSPI assets in Mahone Bay Electric's
13 service territory complicate service delivery to our customers. This is not the only
14 such instance which has imposed additional costs on our utility and/or its
15 customers.

16
17 **Request IR-7:**

18 Given that other infrastructure work will be taking place on Edgewater Street at the same time as
19 the proposed electrical distribution project, please explain specifically how construction related
20 costs for the following project elements will be allocated to the electric utility: Mobilization,
21 Excavation and Disposal, Rock excavation, Traffic Control, Trench backfilling, Roadway
22 Reinstatement, Curb and Gutter Reinstatement, Sidewalk Reinstatement, Driveway
23 Reinstatement, and Lawn Reinstatement.

24 Per the uploaded cost estimate the Town does not intend to allocate these costs to the Utility.

- 25 a) For each of these elements, please identify the cost allocated to the Electric Utility, the
26 cost allocated to the Town, and the cost allocated to the Town's Water Utility.

- 27 i. Please confirm that the costs allocated to the Electric Utility are included in the
28 overall project cost estimate for which the Utility seeks Board approval.

29 N/A

- 30 b) Please confirm that the estimated Reinstatement costs allocated to the Electric Utility only
31 include costs associated with reinstatement within the theoretical excavation limits of the
32 electrical distribution infrastructure trenches.

- 33 i. If not confirmed, please explain.

34 N/A

- 1 c) Please confirm that costs associated for any new Sidewalks, new Curb and Gutter, and
2 new Roadway Asphalt and gravels will not be allocated to the electric utility unless they
3 are solely related to reinstatement,
4 i. If not confirmed, please explain.

5 N/A

6
7 **Request IR-8:**

8 The application states the following: "In addition to improving service for existing customers, the
9 project will enable significant customer growth (~180 additional dwelling units (20% increase from
10 current), ~50 anticipated within 5 years)."

- 11 a) Please provide a yearly breakdown of the forecasted load growth for the project area that
12 will be served through this investment.

13 The Utility has not forecasted future load growth in relation to the project. Projected
14 customer numbers are based on the Town's assessment of anticipated housing starts in
15 the area to be served by the new infrastructure, speaking with property owners and
16 developers and analyzing housing market trends.

- 17 b) Please provide a breakdown of the total number of customers in this area, categorized by
18 customer class, along with the feeders and transformers that serve them.

19 Demand – 3

20 Commercial – 4

21 Domestic – 5

- 22 c) What is the current feeder(s) capacity and/or the available transformer(s) capacity
23 supplying this area?

24 The area is currently supplied by one single phase 50KVa Transformer limited to providing
25 7 Amps primary voltage.

- 26 d) What is the projected feeder(s) capacity and/or available transformer(s) capacity supplying
27 this area over the next five years?

28 As a result of the new infrastructure installed with this project service to the same area
29 would be three phase, 385 Amps per phase primary voltage.

30
31 **Request IR-9:**

32 Please describe the proposed schedule for the project.

- 33 a) If construction tenders for the project have already closed:

- 34 i. Please provide a copy of the tender form submitted by each of the tenderers for
35 the project.

36 The requested documentation has been uploaded with redactions.

- 1 ii. Please confirm that the lowest compliant tender bid for the project will be awarded
2 the respective project. **Yes**

3 1. If not confirmed, please explain why.
4

5 **Request IR-10:**

6 If a consulting engineer will be used for the project, please explain the process used to procure
7 the services of the consultant. **CBCL Ltd. are the project engineers. It should be noted that the**
8 **Town is not seeking to recover CBCL Ltd. costs from the utility in association with the watermain**
9 **installation.**

- 10 a) If these services were not procured using a competitive Request for Proposal (RFP)
11 process, please explain why.

12 **The Edgewater Street Project began in 2012 and at that time CBCL Ltd. was selected as**
13 **project engineers via a competitive process; project scope was initially limited to shoreline**
14 **improvement. CBCL Ltd. remained attached through 12 years of pre-design and design**
15 **work (of gradually increasing scope which came to include electrical water, wastewater**
16 **stormwater and transportation infrastructure, in addition to shoreline improvement),**
17 **culminating in the tender for construction services. With CBCL Ltd.'s long attachment to**
18 **the project through design and pre-design phases it was decided not to tender for tender**
19 **preparation or construction oversight services as CBCL Ltd. was felt to be in a unique**
20 **position to oversee construction activities on behalf of the Town and its utilities.**

- 21 i. Please explain how the cost of services for the consultant was considered
22 appropriate for the project.

23 **Costs were assessed against comparable services recently procured by the Town**
24 **via competitive processes.**

- 25 ii. Please describe the Utility's documented procurement processes that are to be
26 used in securing engineering services for project of this nature.

27 **N/A**

- 28 iii. Please provide a copy of the document issued by the Utility describing the services
29 that would be required from the consultant. **N/A**

- 30 iv. Please provide a confidential copy of the consultant's Technical and Financial
31 submissions used to describe the scope of work and related costs that are to be
32 provided by the consultant.

33 **Requested document uploaded.**

- 34 b) If these services were procured using a competitive RFP process: **N/A**

- 35 i. Please provide a copy of the RFP document.

- 1 ii. Please provide a copy of the technical and financial scoring matrices (complete
2 with the actual pricing provided by each RFP respondent) used to evaluate and
3 rank each of the RFP submission.
- 4 iii. Please provide a confidential copy of the selected consultant's Technical and
5 Financial proposals.

6
7
8 **Request IR-11:**

9 Who will be providing on-site inspection services during construction to ensure the project is being
10 built per the requirements of the contract drawings and specifications? **CBCL Ltd.**

11
12 **Request IR-12:**

13 Who will be responsible for collecting as-built construction data and preparing the associated as-
14 built drawings? **CBCL Ltd.**

15
16 **Request IR-13:**

17 What was the Utility's "Excess (Deficiency) of Revenues over Expenditures" for fiscal 2024/25
18 and 2025/26? **2024-25: (\$398,173) and 2025-26: \$505,733; see uploaded statements.**

19
20 **Request IR-14:**

21 Please file the year ending March 31, 2025, and year ending March 31, 2026, financial statements
22 for the Utility. **Financial statements have been uploaded as requested.**

23
24 **Request IR-15:**

25 What is the current balance in the Utility's Accumulated Surplus account? **\$400,667 at March 31,**
26 **2026; see uploaded statements.**

27
28 **Request IR-16:**

29 When was the Utility's most recent rate application to the Board? **2023**

30
31 **Request IR-17:**

32 When does the Utility expect to file its next rate application to the Board? **Early in 2027.**

1 **Request IR-18:**

2 Have any of the revenue requirements associated with the proposed project been included in the
3 Utility's current Board approved rates? **No**

- 4 a) If so, please identify the related amount of revenue requirements included in current rates.
5

6 **Request IR-19:**

7 The application states, "Assessed against future customer growth in the impacted area, the cost
8 of the infrastructure improvement is reasonable". Explain and provide a copy of the assessment
9 carried out by the Utility to make this determination. **Utility staff and decision makers considered**
10 **average customer demand and projected housing development numbers referenced above when**
11 **assessing potential future utility revenues in association with the project works and compared**
12 **these to projected customer rate impacts assessing that over time additional revenues would help**
13 **offset the impact on existing customers. No documentation was prepared to support this**
14 **assessment.**
15
16

17 **Request IR-20:**

18 The application states "The impact on customer rates – on the understanding that the Utility will
19 borrow to cover project costs (based on rates from the recent April 2026 Provincial debenture
20 issue in which the Town participated) – is estimated at ~5.56%." Please explain.

- 21 a) Is this the amount the rates will increase? **This is a projection which would be validated in**
22 **Mahone Bay Electric's next General Rate Application process. It is based on current**
23 **borrowing costs.**
24 b) Will the Utility need to file a rate application to increase rates by this amount to cover the
25 costs of this project? **This will be included in the Utility's anticipated 2027 General Rate**
26 **Application.**
27 i. If so, when is the rate application expected?
28 ii. If not, why not?
29

30 **Request IR-21:**

- 31 a) Does the Utility intend to borrow the entire amount of the project? **The entire Utility cost,**
32 **yes.**
33 b) Has the Utility applied for or are intending to apply for grants to offset the project costs?
34 Please explain. **Mahone Bay Electric did apply for funding from Natural Resources**

1 Canada's Smart Renewables and Electrification Pathways Program Utility Support Stream
2 but was unsuccessful in obtaining this funding.

3 i. Provide a list of all grants applied for or intended to be applied for with respect to
4 this project, including:

- 5 1. name of the grant;
- 6 2. amount applied for;
- 7 3. status of the application;
- 8 4. when a decision is expected to be made; and
- 9 5. amount expected to be received