

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 2nd SET

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: **Friday, October 23, 2026**

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

Contact person: **Rianne MacDonell**
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Nova Scotia Regulatory and Appeals Board

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Issued at Halifax, Nova Scotia, this 2nd day of October 2026

Crystal Henwood, Clerk of the Board

Request IR-22:

Regarding the response to IR-1b): What percentage of the Utility's existing electrical distribution system is underground?

~1%

Request IR-23:

The response to IR-2 states that 12 existing electrical services are to be replaced as part of the project. Board staff notes that the "Customer Services" noted on Dwg. E01 states: "SERVICES FOR CUSTOMERS ARE TO RETURN TO OVERHEAD WHERE PRACTICABLE. WHERE UNDERGROUND SERVICES ARE INDICATED, HOMEOWNER APPROVAL WILL BE GAINED BY THE TOWN OF MAHONE BAY. CONTRACTOR TO INCLUDE ALL LABOUR AND MATERIALS REQUIRED TO MAINTAIN FULLY FUNCTIONAL SERVICE TO CUSTOMERS."

- a) Please confirm that the 12 existing electrical services that are to be replaced as part of the project are to be returned to overhead service.

Remains Overhead (9)

- Civic 217 - Secondary Building
- Rebecca's Restaurant
- Civic 237
- Civic 255
- Civic 261
- Old Edgewater Street - Civic 121, Civic 133, Civic 141 & VIC

Switched to Underground (3):

- Civic 217, Civic 205, Civic 191

i. If confirmed:

1. Please identify the costs associated with this work.
2. Please identify where these costs are included in the project cost estimate provided in response to IR-3.

7.2.1 Civic 191

7.3.1 Civic 205

7.4.1 Civic 217

ii. If not confirmed:

1. Please identify the Civic Numbers that will be provided with overhead service, and please identify the Civic Numbers that will be provided with underground service. For each of those Civic Numbers that will be provided with underground service:

I. Please explain specifically why underground service is required.

In the case of the nine properties referenced above as “remains overhead,” underground services from padmount transformers were taken to riser poles to return to overhead. Services to Civic 217, Civic 205, Civic 191 were kept fully underground where riser pole locations were impractical, and shared trench was available.

2. Please identify the cost to provide the underground service. **\$130,546.**

II. Please identify the estimated costs to provide the Civic Number with overhead service.

Overhead service was not practical for these three locations, per the above note.

III. Please confirm that the Utility will pay for the cost to install an overhead service, while the Civic Number owner will pay the incremental costs to install an underground service. **The Utility intends to pay the full cost.**

- If not confirmed, please explain. **The alternative of overhead service is not available to these dwellings for the reasons outlined above.**
- If confirmed, please explain how this is accounted for in the project cost estimate and in the amount for which the Utility seeks Board approval.

Request IR-24:

Regarding the response to IR-3: The IR asked the Utility to provide a breakdown of the project cost to include: Utility related project administrative and overhead costs; Land purchase costs; and Net HST.

- a) Please explain why the Utility has excluded costs for Utility related project administrative and overhead costs from the estimated project cost provided in response to IR-3.

These costs were excluded because the Town determined that no such costs for the Edgewater Project were to be charged to the Utility / subject to this request for approval.

- i. Please identify the costs for project related water system Utility project administrative and overhead costs.

Presuming the question is in reference to electrical Utility administration and overhead costs the only cost borne by the Utility would be staff time contributed by the Utility Manager <\$5,000 over the course of the project. The Utility is not making the case to capitalize this administrative cost as it is not incremental to the Utility.

- b) Please explain why the Utility has excluded land purchase costs from the estimated project cost provided in response to IR-3.

- i. Please identify the costs for project related land purchase costs.

There are no land purchase costs in relation to electrical infrastructure.

- c) Please provide a revised project cost estimate to include Utility related project administrative and overhead costs; Land purchase costs; and **Net** HST, each as a separate line item.

It was not considered necessary to include these costs as there were no incremental costs incurred by the Utility. As itemized below:

Utility Related Project Administrative and Overhead Costs	\$0
<i>(no incremental cost)</i>	
Land Purchase Costs	\$0
Net HST <i>(on the above)</i>	\$0

Request IR-25:

Regarding the project cost estimate provided in response to IR-3:

- a) Please describe the scope of work associated with Change Order 12 – Park Area Distribution.

Change Order 12 replaced the original lump sum Tender Item 11.12 – Park Area Distribution with a revised park area electrical distribution scope, shown on Sketch ESK04 and reissued Drawings E38-1 and E38-2. The work was required based on review of the park area use cases, and management and metering of services provided to the public in this space. The food truck pedestal was combined into the service center, power pedestal

location was revised, and the existing wood post with receptacles used for Christmas tree power was replaced with a new power pedestal. This removed 15 m of secondary and two bollards associated with the food truck pedestal. About 43 m of secondary was added from the service centre to the new pedestals, along with secondary moles in URD01. The service center was expanded with one additional meter, two additional panels and six receptacles to accommodate the use cases. The format was revised to allow an enclosure to be built around it. A temporary service was included because removing the existing street lighting during construction cut power to the existing Christmas tree receptacle, which the Town relies on for its annual Christmas festival. To keep power available until the padmount transformers were energized, Change Order 12 included a temporary connection from the new Christmas tree pedestal to the adjacent streetlight circuit.

i. Please explain in detail why this work was required. **See above.**

ii. Please identify the amount included in the cost of this change order that is associated with the "Original Park Area Scope".

The revised scope was priced at \$97,917.11 and includes all of the original Item 11.12 work. The amount associated with the Original Park Area Scope is \$59,734.00. The net contract change is therefore \$38,183.11 plus HST.

iii. Please explain specifically how the Utility determined that the cost for the associated work is appropriate.

Council reviewed and approved the Change Order on recommendation of project engineers, understanding that costs were reflective of market and it would be difficult to remove the scope of work from the overall construction contract to tender separately without other complications.

iv. Please provide a copy of the signed and approved Change Order 12.

Uploaded.

b) Please describe the scope of work associated with Change Order 18 – T05 – Padmount Transformer.

Change Order 18 covered two items. The first upsized the primary conductors from Riser Pole R2 to Sectionalizing Cabinet S1 from 500 kcmil to 750 kcmil, including the associated fittings and T-bodies. The second installed the Town-purchased padmount transformer T05 at Lift Station 4, including grounding, cables, connectors and terminations, plus the supply and installation of a precast concrete slab and protective bollards. The total was \$45,790.26 plus HST. This work wasn't in the original scope because the original contract design fed Lift Station 4 from an overhead transformer bank installed by the utility. The Contractor's scope covered only the secondary riser and underground ductbank. It was requested that the Transformer be adjusted to padmount to prevent adding any overhead

1 infrastructure to this area, which could not accommodate additional poles or anchoring.
2 The Town bought the transformer directly. Its installation still needed contractor work that
3 wasn't covered anywhere else in the Contract: a concrete slab, grounding, bollards, and
4 cabling and terminations to the sectionalizing cabinet. Testing and commissioning were
5 removed from the Contractor's scope and assigned to the Town's own contractor at a
6 lower cost.

7 i. Please explain in detail why this work was required.

8 The conductor upsizing, about \$7,000 of the total, was a schedule-driven change. The
9 specified cable wasn't expected until about the end of April 2026, while the larger cable
10 and its fittings were readily available and work within the existing conduits. The change
11 allowed the cables feeding Lift Station 4 to be pulled starting mid-March, so the station
12 could be running around the end of March. Without it, the station would have waited until
13 all project cabling was complete in May.

14 ii. Please explain in detail why this work was not included in the original tender scope
15 of work. See previous note re schedule-driven CO.

16 iii. Please explain specifically how the Utility determined that the cost for the
17 associated work is appropriate.

18 Council reviewed and approved the Change Order on recommendation of project
19 engineers, understanding that costs were reflective of market and it would be
20 difficult to remove the scope of work from the overall construction contract to tender
21 separately without other complications.

22 iv. Please provide a copy of the signed and approved Change Order 18.

23 Uploaded.

24 c) As it relates to the costs associated with the Clearland Road Scope: Board staff notes that
25 work related to the Clearland Road Scope was not included in the Project Tender Form
26 (as provided in response to IR-9). Further, Board staff notes that project Drawings C-400,
27 C-401 and C-402 are not included in the list of project drawings on Title Sheet. Further,
28 title blocks on Drawing C-400, C-401, C-402 and C-403 state "Issued for CO-28".

29 i. Please explain specifically why this scope of work was procured through a Change
30 Order rather than part of the original tender process.

31 While it has always been the Town's intention to extend services up Clearland
32 Road in coordination with the Edgewater Project work, the Town had initially hoped
33 to obtain additional external funding to support this component; on the
34 understanding that inclusion of the Clearland Road scope in the original project
35 would have rendered these costs ineligible for additional funding, the scope was
36 not included in the original contract and had to be added by CO.

- 1 ii. Please explain specifically how the Utility determined that the unit costs for the
2 associated work are appropriate, particularly given the unit costs for the same
3 items for the Edgewater St. scope.

4 Council reviewed and approved the Change Order on recommendation of project
5 engineers, understanding that costs were reflective of market and it would be
6 difficult to remove the scope of work from the overall construction contract to tender
7 separately without other complications.

8
9 The unit rates were expected to differ slightly for change order 28 from that
10 included in the original contract. The primary reason is that the measurement &
11 payment description for that of Edgewater Street was different than Clearland
12 Road. Namely, there was a combined trench and excavation on Edgewater (Water,
13 Sewer, Forcemain, Electrical see Detail 2- C112) that was not consistent with
14 Clearland.

- 15 iii. Please provide a copy of the signed and approved Change Order 28.

16 Uploaded.

- 17 iv. Please describe the need to include a 15% contingency associated with the
18 Clearland Road scope of work.

19 The reason the contingency was included is because it was an estimate and
20 there was no certainty what conditions would be encountered when work began.

- 21 1. Please describe the current status of the Clearland Road work.

22 The work was completed in August, 2026.

- 23 2. Please provide the total cost to date for the Clearland Road work.

24 \$142,000 plus net HST.

- 25 v. Please explain specifically why the Utility intends to install underground electrical
26 distribution infrastructure on Clearland Road rather than overhead.

27 The presence of NSPI transmission lines located along the East side of
28 Clearland Road leaves the options to a) go overhead along the West side,
29 or b) continue underground (from new underground line on Edgewater).
30 The underground option was selected for Clearland road for the same
31 reasons cited with respect to Edgewater (opportunity to proceed with
32 other underground work / road reinstatement already taking place,
33 reliability considerations, aesthetic benefits). A further consideration
34 motivating the decision to go underground is that Bayview Cemetery – a
35 registered heritage property noted for its trees – would have experienced

considerable loss of trees with the installation of overhead electrical
Infrastructure along the property line.

1. Please identify the dollar amount of the cost premium to install the proposed underground electrical distribution infrastructure on Clearland Road rather than overhead.

~\$71,000

Request IR-26:

Regarding the response to IR-4: Please identify the dollar amount of the project cost premium to install the proposed underground electrical distribution infrastructure rather than overhead.

~\$385,000

Request IR-27:

Regarding the response to IR-6: IR-6a)i asked the Utility to explain how other project work present the opportunity to construct the proposed electrical infrastructure at a reduced cost. In response the Utility stated: "As noted above (IR-4) we had the benefit of common excavation and reinstatement work. As noted below (IR-7), the Town is not seeking to recover these costs from the utility in association with the underground electrical distribution installation (as it is understood that reinstatement costs for water / wastewater work would have been essentially the same without the electrical component)."

- a) Board staff notes that Dwg. C-101, C-102 and C-104 appear to show a significant portion of the proposed underground electrical infrastructure on the opposite side of the road, and quite some distance away from the proposed watermains and sewers. Further Detail 1 on Dwg. C-401 shows a theoretical trench that includes water piping, sewer piping and underground electrical which is appreciably wider than Detail 2 that shows a theoretical trench that includes water piping and sewer piping only. In this context:

- i. Please explain specifically why the Utility understands that reinstatement costs for water / wastewater work would have been essentially the same without the electrical component.

Full reinstatement of the roadway would have been carried out as a component of the Edgewater Project in any case as full reinstatement was in scope (and externally funded); the project included other elements (curbs, drainage, etc.) predicated on full reinstatement.

- ii. Please explain specifically why the Utility believes it is appropriate to not recover cost associated with excavation and reinstatement for underground electrical

1 infrastructure that is installed on the opposite side of the roadway as the water and
2 sewer infrastructure.

3 See i above. These costs were incurred by the Town and externally funded; the
4 Town determined the costs would not be allocated to the Utility.

5
6 **Request IR-28:**

7 Regarding the response to IR-7:

- 8 a) Please provide a copy of the "Measurement and Payment" section and the related
9 "Supplementary Specifications" from the project's Construction Contract Documents.

10 There are no "Supplementary Specifications" as part of this project; it is a full project
11 specification. Uploaded.

- 12
13
14 b) Please confirm that the electrical system unit prices from the Low Tenderer and that the
15 unit rates included in the project cost estimate (as provided in response to IR-3) exclude
16 Mobilization, Excavation and Disposal, Rock excavation, Traffic Control, Trench
17 backfilling, Roadway Reinstatement, Curb and Gutter Reinstatement, Sidewalk
18 Reinstatement, Driveway Reinstatement, and Lawn Reinstatement costs.

19 CBCL cannot confirm that the electrical system unit prices from the Low Tenderer exclude
20 all of the listed costs. Under Section 01 22 00, unit prices are full compensation for the
21 work needed to complete each item. Where separate quantities aren't provided in the
22 Tender Form, they include traffic control, common excavation and disposal of surplus
23 material, bedding, backfilling, compaction, and reinstatement of disturbed surfaces. Traffic
24 control, excavation and disposal, and trench backfilling are therefore included in the
25 electrical system unit prices.

- 26 i. If not confirmed, please provide a revised project cost estimate (in the same format
27 at the estimate provided in response to IR-3 to exclude these costs from each of
28 the line item unit rates).

- 29 1. Please explain specifically how the Utility estimated the unit costs
30 associated with Mobilization, Excavation and Disposal, Rock excavation,
31 Traffic Control, Trench backfilling, Roadway Reinstatement, Curb and
32 Gutter Reinstatement, Sidewalk Reinstatement, Driveway
33 Reinstatement, and Lawn Reinstatement costs for each line item.

34 In discussion with project engineers CBCL there is no basis on which
35 produce the requested cost estimate given the cost estimate provided in

1 response to IR-3 was reflective actual tendered costs which were not
2 broken out as requested.

3
4 **Request IR-29:**

5 Regarding the response to IR-8:

- 6 a) Please provide a map delineating the approximate 15 hectares of undeveloped land that
7 can be serviced by the project.

8
9 See inserted map:



11
12
13 Properties highlighted in yellow are currently undeveloped and would become serviceable
14 by the Town's Utility as a consequence of the Edgewater Project.

i. Beyond the electrical infrastructure constructed for the current project, please identify any additional electrical infrastructure that will be required from and constructed by the Utility to service these undeveloped lands.

1. Please provide a cost estimate to design, supply, construct and commission this additional infrastructure.

Extension of services on Clearland Road to serve a further five properties noted on the map above would entail an additional 180m electrical extension (overhead) at an estimated cost of \$120,000.

2. Please identify the estimated annual depreciation, debt servicing and annual O&M costs associated with this additional infrastructure.

Based on the cost of \$120,000 the annual depreciation would be \$4,000, debt servicing ~\$8,040 (if the \$120,000 were assumed to be paid by borrowing). Annual O&M costs for the additional 180m are estimated at \$936.

ii. For the electrical infrastructure constructed for the current project, please identify:

1. The estimated annual O&M cost associated with this infrastructure;

Annual O&M costs are estimated at \$4,264.

2. The estimated annual depreciation expense on the full capital cost; and

Annual depreciation expense is estimated at \$66,250.

3. The estimated annual debt servicing costs associated with this infrastructure.

Debt servicing costs (on borrowing \$2,650,000) are estimated at \$177,550 annually.

iii. Please provide the estimated development timeline over which the estimated 180 additional customer growth is expected to occur that the Edgewater project is expected to enable.

5 years 50 additional customers

10 years 30 additional customers

20 years 50 additional customers

30 years 50 additional customers

iv. Based on current Utility rates, please identify the expected incremental annual revenue from the estimated 180 additional customers that the Edgewater project

is expected to enable. Incremental revenue estimated at \$368,900 / year, based on current rates.

1. If the expected incremental annual revenue from the estimated 180 additional customers is less than the sum of costs identified in response to i and ii above, please identify the required rate increase need to achieve cost neutrality (ie., annual revenues = annual costs).

It is not; estimated revenues exceed estimated costs by \$120,836.

Request IR-30:

Regarding the response to IR-9:

- a) The IR asked the Utility to describe the proposed schedule for the project. However, the project schedule was not provided in the IR response. Please describe the proposed schedule for the project.

Construction began in March 2025. Project achieved substantial completion in August 2026. All elements have been completed.

- b) Board staff notes that the project drawings (as provided in response to IR-2c)) indicate an initial "Issued for Construction" date of Feb. 25, 2025, and a most recent "Issued for Construction" date of Nov. 14, 2025. Further, a number of other drawings indicate "Issued for Site Instruction" and "Issued for Change Order" revisions. The Tender Form also notes that the project was tendered in December 2024. This suggests to Board staff that construction for the project has already started, and, in fact, is nearing completion.

- i. Please describe the status of construction of the electrical system elements of the project.

1. Please describe the elements of the electrical system that have been completed on the project.

Project has achieved substantial completion.

2. Please describe the elements of the electrical system that remain to be completed on the project.

None.

- ii. If construction of the electrical system of the project has already started, please explain specifically why the Utility did not apply for Board approval before construction started.

This was an oversight. The Town acknowledges failure to seek timely approval.

- iii. Please provide the cost of the electrical system element of the project to date.

\$2,642,263

1 **Request IR-31:**

2 The response to IR-10 states: "It should be noted that the Town is not seeking to recover CBCL
3 Ltd. costs from the utility in association with the watermain installation." Please confirm that Utility
4 meant "electrical distribution system installation" rather than "watermain installation". **Confirmed.**

5 a) If not confirmed: Does the Utility intend to recover CBCL related costs associated with the
6 proposed electrical distribution system?

7 i. If so: Please identify the costs for CBCL electrical distribution system related
8 engineering services, broken out by design, tendering and construction phase
9 services, and include these costs in a revised project cost estimate.

10
11 **Request IR-32:**

12 IR-19 asked: "The application states, "Assessed against future customer growth in the impacted
13 area, the cost of the infrastructure improvement is reasonable". Explain and provide a copy of the
14 assessment carried out by the Utility to make this determination. In response, the Utility stated:
15 "Utility staff and decision makers considered average customer demand and projected housing
16 development numbers referenced above when assessing potential future utility revenues in
17 association with the project works and compared these to projected customer rate impacts
18 assessing that over time additional revenues would help offset the impact on existing customers.
19 No documentation was prepared to support this assessment."

20 a) If the Utility has no documentation to support its assessment, please explain specifically
21 how the Board can be assured that future revenues associated with the customer growth
22 that this project is expected to facilitate will offset the related infrastructure costs (including
23 related O&M costs, depreciation costs on the full project cost, and debt servicing costs).

24 **Covered in IR-29 above.**

25
26 **Request IR-33:**

27 Regarding the response to IR-20: please confirm that the estimated 5.56% increase in rates
28 resulting from the current project included the impact of the project related deprecation costs, debt
29 servicing costs and incremental O&M costs. **The full depreciation costs were not taken into**
30 **consideration in the 5.56% projection.**

31 a) If not confirmed, please identify the estimated impact on rates to include all these related
32 costs. **Including all related costs the estimated impact on customer rates would be 7.19%.**