

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

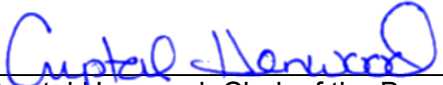
Responses Due: **Friday, October 23, 2026**

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

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

E-mail: rianne.macdonell@novascotia.ca

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



Crystal Henwood, Clerk of the Board

1 **Request IR-22:**

2 Regarding the response to IR-1b): What percentage of the Utility's existing electrical distribution
3 system is underground?
4

5 **Request IR-23:**

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

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

14 i. If confirmed:

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

18 ii. If not confirmed:

- 19 1. Please identify the Civic Numbers that will be provided with overheard
20 service, and please identify the Civic Numbers that will be provided with
21 underground service. For each of those Civic Numbers that will be
22 provided with underground service:

- 23 I. Please explain specifically why underground service is required.
24 II. Please identify the cost to provide the underground service.
25 III. Please identify the estimated costs to provide the Civic Number with
26 overhead service.
27 IV. Please confirm that the Utility will pay for the cost to install an
28 overheard service, while the Civic Number owner will pay the
29 incremental costs to install an underground service.

- 30 • If not confirmed, please explain.
31 • If confirmed, please explain how this is accounted for in the
32 project cost estimate and in the amount for which the Utility
33 seeks Board approval.
34
35
36

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.

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

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.

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.

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.

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

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

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

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

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

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

ii. Please explain in detail why this work was not included in the original tender scope of work.

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

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

c) As it relates to the costs associated with the Clearland Road Scope: Board staff notes that work related to the Clearland Road Scope was not included in the Project Tender Form (as provided in response to IR-9). Further, Board staff notes that project Drawings C-400,

C-401 and C-402 are not included in the list of project drawings on Title Sheet. Further, title blocks on Drawing C-400, C-401, C-402 and C-403 state "Issued for CO-28".

- i. Please explain specifically why this scope of work was procured through a Change Order rather than part of the original tender process.
- ii. Please explain specifically how the Utility determined that the unit costs for the associated work are appropriate, particularly given the unit costs for the same items for the Edgewater St. scope.
- iii. Please provide a copy of the signed and approved Change Order 28.
- iv. Please describe the need to include a 15% contingency associated with the Clearland Road scope of work.
 1. Please describe the current status of the Clearland Road work.
 2. Please provide the total cost to date for the Clearland Road work.
- v. Please explain specifically why the Utility intends to install underground electrical distribution infrastructure on Clearland Road rather than overhead.
 1. Please identify the dollar amount of the cost premium to install the proposed underground electrical distribution infrastructure on Clearland Road rather than overhead.

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.

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.
- ii. Please explain specifically why the Utility believes it is appropriate to not recover cost associated with excavation and reinstatement for underground electrical infrastructure that is installed on the opposite side of the roadway as the water and sewer infrastructure.

Request IR-28:

Regarding the response to IR-7:

- a) Please provide a copy of the "Measurement and Payment" section and the related "Supplementary Specifications" from the project's Construction Contract Documents.
- b) Please confirm that the electrical system unit prices from the Low Tenderer and that the unit rates included in the project cost estimate (as provided in response to IR-3) exclude Mobilization, Excavation and Disposal, Rock excavation, Traffic Control, Trench backfilling, Roadway Reinstatement, Curb and Gutter Reinstatement, Sidewalk Reinstatement, Driveway Reinstatement, and Lawn Reinstatement costs.
 - i. If not confirmed, please provide a revised project cost estimate (in the same format at the estimate provided in response to IR-3 to exclude these costs from each of the line item unit rates.
 1. Please explain specifically how the Utility estimated the unit costs associated with Mobilization, Excavation and Disposal, Rock excavation, Traffic Control, Trench backfilling, Roadway Reinstatement, Curb and Gutter Reinstatement, Sidewalk Reinstatement, Driveway Reinstatement, and Lawn Reinstatement costs for each line item.

Request IR-29:

Regarding the response to IR-8:

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

2. Please identify the estimated annual depreciation, debt servicing and annual O&M costs associated with this additional infrastructure.
- ii. For the electrical infrastructure constructed for the current project, please identify:
 1. The estimated annual O&M cost associated with this infrastructure;
 2. The estimated annual depreciation expense on the full capital cost; and
 3. The estimated annual debt servicing costs associated with this infrastructure.
- 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.
- 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.
 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).

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

- 1 ii. If construction of the electrical system of the project has already started, please
2 explain specifically why the Utility did not apply for Board approval before
3 construction started.
- 4 iii. Please provide the cost of the electrical system element of the project to date.
- 5

6 **Request IR-31:**

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

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

- 12 i. If so: Please identify the costs for CBCL electrical distribution system related
13 engineering services, broken out by design, tendering and construction phase
14 services, and include these costs in a revised project cost estimate.
- 15

16 **Request IR-32:**

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

- 25 a) If the Utility has no documentation to support its assessment, please explain specifically
26 how the Board can be assured that future revenues associated with the customer growth
27 that this project is expected to facilitate will offset the related infrastructure costs (including
28 related O&M costs, depreciation costs on the full project cost, and debt servicing costs).
- 29

30 **Request IR-33:**

31 Regarding the response to IR-20: please confirm that the estimated 5.56% increase in rates
32 resulting from the current project included the impact of the project related deprecation costs, debt
33 servicing costs and incremental O&M costs.

- 34 a) If not confirmed, please identify the estimated impact on rates to include all these related
35 costs.