

**NOVA SCOTIA UTILITY AND REVIEW BOARD**

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

- and -

**IN THE MATTER OF AN APPLICATION** by the **TOWN OF LUNENBURG**, on behalf of its **ELECTRIC UTILITY**, for approval of amendments to its Schedule of Rates for Electric Supply and Services, to allow it to pass-through to its customers Fuel Adjustment Mechanism adjustments approved by the Board for Nova Scotia Power Inc.

**BEFORE:**



Stephen T. McGrath, K.C., Chair

**ORDER**

In an Application dated July 21, 2023, the Town of Lunenburg, on behalf of its Electric Utility (Utility), applied to the Nova Scotia Utility and Review Board (Board) for approval to amend its Schedule of Rates for Electric Supply and Services to allow the Utility to pass-through to its customers recent changes approved by the Board as a consequence of Board Order related to Nova Scotia Power Inc.'s (NS Power) General Rate Application for the approval of rates in 2023 and 2024 (Application).

After a public hearing on December 16, 2005, the Board, by Order dated January 17, 2006, approved a formula to allow the Utility to pass-through to its customers the increase in cost of electric service because of an increase in Nova Scotia Power Inc. rates.

On October 19, 2010, the Board approved a formula to recover Demand Side Management (DSM) and Fuel Adjustment Mechanism (FAM) adjustments (M03453).

This application includes the following proposed amendments to the Utility's tariff language for the Domestic Time-of-Use Rate:

- a) Wording to clarify the pass-through formula for the on-peak charge for the Domestic Time-of-Use Rate.
- b) A modification to the formula to clarify the order of adding FAM and DSM adjustments.

In Matter M10469 (NS Power 2021 FAM AA/BA Report), NS Power noted that through discussions with municipal electric utilities about the recovery of FAM imbalances arising from the migration of their load from the NS Power System, it was determined that a retroactive adjustment was required to realign the December, January and February

coincident peaks for the municipal customers. This resulted in a balance owed by the Utility to NS Power of \$465,231, plus applicable interest. At the direction of the Board, NS Power and the Utility engaged in discussions and agreed that the amount of \$146,291 will be billed to the Utility and paid to NS Power in 12 equal monthly installments. The agreed amount of \$146,291 represented half of the under-allocated costs, prior to interest, for the customer that took place in 2019. The remaining portion of the balance outstanding of \$465,231 plus applicable interest, was removed from the Utility's FAM balance owing.

The Board accepted this arrangement in a letter dated February 8, 2023.

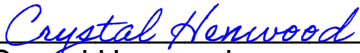
In this application, the Utility has requested approval to apply a surcharge to customer rates between July 1, 2023, and December 31, 2023, for the retroactive FAM adjustment that would have been included in prior flow-through applications had the correct amount been known at the time. The Board approves this arrangement given the exceptional circumstances through which the retroactive FAM balance arose.

Aside from the recovery for the surcharge to recover the retroactive adjustment, the Utility has proposed rates using the approved formulas.

**The Board approves the application, in part, and order that:**

1. The proposed tariff changes to the Domestic Time-of-Use Rate are approved.
2. The Schedule of Rates for Electric Supply and Services for 2023, attached to this order as Schedule "A", is approved for service rendered on and after July 1, 2023.
3. The surcharge for the retroactive FAM adjustment will end on December 31, 2023.
4. Consideration of the Utility's requested rates for 2024 will be deferred, pending Board approval of NS Power's DSM charges for 2024.

**DATED** at Halifax, Nova Scotia, this 10<sup>th</sup> day of August, 2023.

  
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Crystal Henwood  
Regulatory Affairs Officer/Clerk



## SCHEDULE A

### LUNENBURG ELECTRIC UTILITY

#### SCHEDULE OF RATES FOR ELECTRIC SUPPLY & SERVICES

(Effective for services rendered on and after July 1, 2023)

#### RATES

All bills are due and payable when rendered. All unpaid accounts are subject to overdue interest charges in accordance with Regulation 5.2 - "Payment of bills, overdue interest charges, and returned payment charge".

In this Schedule, the word "Town" means the Town of Lunenburg.

#### "Nova Scotia Power Inc. (NSPI) Municipal Rate Class Increases"

In order to recover increased costs due to NSPI increases and upon notice by the Lunenburg Electric Utility (the "Utility") to the Nova Scotia Utility and Review Board, (the "Board"), the Board may amend the Rates for Domestic Service, Small General, General, Large General, Domestic Service Time-of-Day (Optional), and Street and Yard Lighting based on the following formula, without the necessity of a public hearing.

1)  $A/B=C$

2)  $C \times D = E$

A = Forecasted power purchase cost from NSPI for the test year;

B = Forecasted Electric Rate Revenue from the above classes for the test year;

C =Percent, expressed as 00.00;

D = NSPI approved increase percent, expressed as 00.00;

E = Average percentage change required to the Lunenburg Electric Utility's rates to recover its purchased power cost.

The Lunenburg Electric Utility, when submitting a request for a change in its Schedule of Rates for Electric Supply and Services, shall provide a comprehensive summary of the forecasted purchase and sales amounts and compare the results with the actual purchase and sales amounts for the previous two years along with an analysis of the difference in the amounts.

Nova Scotia Power Inc. ("NSPI") Municipal Rate Class Adjustments to  
Demand Side Management and Fuel Adjustment Mechanism

In order to recover Demand Side Management ("DSM") and Fuel Adjustment Mechanism ("FAM") adjustments due to Nova Scotia Power Inc. ("NSPI") approved DSM and FAM adjustments and upon notice by the Council of the Town of Lunenburg to the Nova Scotia Utility and Review Board (the "Board"), the Board may amend the kWh Rates for Domestic Service, Small General, General, Large General, Domestic Service Time-of-Day (Optional) and Street and Yard Lighting based on the following, without the necessity of a public hearing.

For Domestic Service, Small General, General, and Large General, the following formula will apply:

$$A+B=C$$

$$C \times D/100 = E$$

$$E/F * 100 = G$$

A = NSPI DSM Rate to Municipal Class (cents per kWh)

B = NSPI FAM Rate to Municipal Class (cents per kWh)

C = Net NSPI adjustment (cents per kWh)

D = kWh purchases from NSPI for previous complete fiscal year

E = Total cost adjustment on annual purchases from NSPI

F = kWh sold by Municipal Electric Utility for previous complete fiscal year

G = Adjustment to Municipal electric Consumption Rates as a result of DSM and FAM charges (cents per kWh)

For Street and Yard Lighting Categories the following formula will apply:

$$A/B=C$$

$$C+D=E$$

$$E \times B = F$$

A = Current monthly street light charge

B = NSPI rate schedule monthly kWh per month for each street light category

C = Current street light charge per kWh

D = kWh adjustment (in cents per kWh) due to FAM or DSM

E = Adjusted street light charge per kWh

F = Adjusted monthly street light rate

For Domestic Time of Use Rates the following will apply:

On peak charges are twice the Regular Domestic tail block rate, prior to any DSM or FAM riders, plus any applicable DSM or FAM riders;

Shoulder charges are equal to the Regular Domestic tail block rate;

The off-peak charges are set using the following formula:

$$A \times D = C$$

$$C + B = E$$

A = Current kWh purchase price from NSPI

B = kWh adjustment (in cents per kWh) due to FAM or DSM

C = adjusted kWh purchase price from NSPI

D = 4% loss factor

## DOMESTIC SERVICE

Service Charge: \$12.42 per month.

Energy Rates: 17.999 cents per kilowatt hour for the first 200 kilowatt hours per month.

16.400 cents for all additional consumption, but in no case shall the average price per kilowatt hour on the whole bill, including the service charge, be less than 17.514 cents in any billing period.

Minimum Bill: \$12.42 per month.

Availability: The Domestic rate shall be applicable to electric energy used by a customer in his private residence for household lighting, cooking, heating, refrigeration, or other household appliances. Where part of the customer's premises are used for other than residential purposes, and non-residential loads do not exceed 500 watts, the whole premises may be supplied under the Domestic rate.

## SMALL GENERAL

Base Charge: \$13.00 per month.

Energy Rates: 15.246 cents per kilowatt hour for all consumption.

Minimum Bill: \$13.00 per month.

Availability: The Small General rate shall be applicable to power and energy where energy use does not exceed 12,000 kWh/year.

## GENERAL

- Demand Charge: \$8.86 per month per kW of maximum demand.
- Energy Charge: 19.008 cents per kW hour for the first 100 kW hours per month per kW of maximum demand.  
13.410 cents per kilowatt hour for all additional consumption.
- Minimum Bill: \$26.09 month or the demand charge, whichever is the greater.
- Availability: The General rate shall be applicable to power and energy where consumption exceeds 12,000 kWh/year, maximum demand does not exceed 250 kW and other rates are not applicable.

## LARGE GENERAL

- Demand Charge: \$10.28 per month per kilowatt of maximum demand.  
15.704 cents per kW hour for the first 100 kilowatt hours per month per kilowatt of maximum demand.  
11.832 cents per kW hour for all additional consumption.
- Minimum Charge: \$10.28 per kilowatt of maximum demand.
- Availability: The Large General rate shall be applicable to power and energy where demand exceeds 250 kW and other rates are not applicable.

## DOMESTIC SERVICE TIME-OF-DAY RATE (OPTIONAL)

### BASE CHARGE

\$23.54 per month

### ENERGY CHARGE:

#### December, January and February

|                     |                                |
|---------------------|--------------------------------|
| 07:00 am to 1:00 pm | 31.277 cents per kilowatt hour |
| 1:00 pm to 4:00 pm  | 16.400 cents per kilowatt hour |
| 4:00 pm to 10:00 pm | 31.277 cents per kilowatt hour |
| 10:00 pm to 7:00 am | 11.205 cents per kilowatt hour |

The above rates apply weekdays (Monday through Friday inclusive), excluding statutory holidays. For Saturdays, Sundays, and statutory holidays, all consumption will be billed at the rate of 11.205 cents per kWh.

#### March to November

|                     |                                |
|---------------------|--------------------------------|
| 7:00 am to 10:00 pm | 16.400 cents per kilowatt hour |
| 10:00 pm to 7:00 am | 11.205 cents per kilowatt hour |

The above rates apply weekdays (Monday through Friday inclusive), excluding statutory holidays. For Saturdays, Sundays, and statutory holidays, all consumption will be billed at the rate of 11.205 cents per kWh.

### MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be \$23.54

### AVAILABILITY

This rate is only available to customers employing Electric Thermal Storage (ETS) equipment and electric in-floor radiant (ie. hydronic) heating systems utilizing time shifting technology approved by the Utility.

## STREET AND YARD LIGHTING

(High Pressure Sodium - Fixture supplied by the Utility)

|                               |                            |
|-------------------------------|----------------------------|
| 70 watt High Pressure Sodium  | \$16.48 per lamp per month |
| 100 watt High Pressure Sodium | \$18.15 per lamp per month |
| 150 watt High Pressure Sodium | \$20.26 per lamp per month |
| 200 watt High Pressure Sodium | \$23.06 per lamp per month |
| 400 watt High Pressure Sodium | \$37.45 per lamp per month |

### AVAILABILITY:

The Street and Yard Lighting rate shall be applicable to the supply of outdoor illumination on a dusk-to-dawn schedule involving approximately 4,000 hours burning time per year and shall include maintenance of equipment and lamp renewals.