

1 **Requirement:**

2

3 **Regulated statement of earnings.**

4

5 **Submission:**

6

7 Please refer to Partially Confidential Attachment 1.

Nova Scotia Power Inc.
Regulated Statement of Earnings
Years Ended December 31st
Millions of Dollars

2012 Financial Outlook

	(1)	(2)	(3)	(4)	(5)
	Compliance Restated 2009	Actual 2010	Forecast 2011	Present Rates 2012	Proposed Rates 2012
Revenue					
Electric	\$1,241.3	\$1,167.3		\$1,279.2	\$1,373.2
Other	14.7	15.9		15.5	15.9
Total	1,256.0	1,183.2		1,294.7	1,389.1
Cost of Operations					
Fuel and purchased power	545.0	587.0		573.9	573.9
FAM Fuel Deferral	-	(102.7)		50.2	50.2
Cost of goods sold	1.5	1.4		1.5	1.5
Operating maintenance and general	216.7	229.5		248.5	248.5
Unmetered Settlement Agreement Adjustment	(1.0)	-		-	-
Grants in lieu of property taxes	34.8	35.4		36.4	36.4
Provincial capital tax	5.3	4.6		1.0	1.0
Depreciation	145.0	150.5		178.0	178.0
Total Cost of Operations	947.3	905.8		1,089.5	1,089.5
Earnings From Operations	308.7	277.4		205.2	299.6
Regulatory amortization	(18.3)	(36.9)		(21.6)	(21.6)
Other Income	-	0.8		-	-
Allowance for funds used during construction and FAM interest	7.6	20.9		28.9	28.9
Earnings Before Interest and Tax	298.0	262.2		212.5	306.9
Interest	119.9	138.7		151.5	150.4
Earnings Before Income Tax	178.1	123.5		61.0	156.5
Corporate income tax	64.4	(11.3)		(11.6)	18.1
Net Earnings Before Dividends	113.7	134.9		72.6	138.4
Preferred dividends	14.1	8.0		8.0	8.0
Net Earnings Applicable to Common Shares	\$99.6	126.8		\$64.6	\$130.4

Notes:

- 1) Figures presented reflect whole numbers which may cause \$0.1M in rounding differences on some line items.
 2) Part VI.I tax reclassified from preferred dividends to corporate income tax.

1 **Requirement:**

2

3 **Regulated balance sheet.**

4

5 **Submission:**

6

7 Please refer to Partially Confidential Attachment 1.

Nova Scotia Power Inc.
Regulated Balance Sheet
Years Ended December 31st
Millions of Dollars

2012 Financial Outlook

	(1)	(2)	(3)	(4)	(5)
	Compliance Restated 2009	Actual 2010	Forecast 2011	Present Rates 2012	Proposed Rates 2012
Assets					
Fixed assets (net)	\$2,408.5	\$2,733.5		\$3,000.5	\$3,000.5
Construction work in progress	70.1	273.0		479.1	479.1
	2,478.6	3,006.4		3,479.6	3,479.6
Current assets					
Cash and Short-term Investments	-	0.3		-	-
Accounts receivable	207.6	192.5		231.2	231.2
Materials inventory	29.9	28.4		28.4	28.4
Fuel inventory	78.5	125.9		88.1	88.1
Prepaid expenses	5.9	6.1		6.4	6.4
Short-Term Derivatives - Hedging	9.8	24.7		24.7	24.7
Held for Trading Securities	61.3	6.3		6.3	6.3
Due from associated companies	0.8	70.9		1.1	1.1
Total Current Assets	393.8	455.1		386.3	386.3
Long-Term Derivatives - Hedging	10.4	20.7		20.7	20.7
Held for Trading Securities	48.1	8.2		8.2	8.2
Future Income Taxes	-	(163.2)		(144.2)	(144.2)
Deferred Charges (Financial Instruments)	10.5	1.3		1.3	1.3
Deferred charges	218.1	511.6		342.7	342.7
Contract Receivable	110.6	-		-	-
Total Assets	\$3,270.1	\$3,840.1		\$4,094.6	\$4,094.6
Equity and Liabilities					
Shareholder's Equity					
Common shares	\$830.6	\$984.7		\$984.7	\$984.7
Preferred shares	260.0	135.0		135.0	135.0
Accumulated Other Comprehensive Gain/(Loss)	(48.4)	10.8		10.8	10.8
Retained earnings	244.8	273.6		407.7	402.7
Long term debt	1,234.1	1,691.9		1,594.1	1,594.1
Long-Term Derivatives - Hedging	33.1	9.4		9.4	9.4
Held for Trading Securities	1.7	1.8		1.8	1.8
Deferred credits (Financial Instruments)	108.5	14.3		14.3	14.3
Deferred credits	95.5	223.1		170.43	170.4
Current Liabilities					
Current portion of long term debt	100.0	0.1		300.1	300.1
Bank indebtedness	197.7	290.0		290.0	282.2
Accounts payable	129.2	191.5		118.7	101.7
Dividends payable	3.2	1.7		1.7	1.7
Income taxes payable	1.9	(40.6)		3.7	33.5
Short-Term Derivatives - Hedging	43.8	2.2		2.2	2.2
Held for Trading Securities	9.3	20.8		20.8	20.8
Accrued interest	25.1	29.8		29.3	29.3
Total Current Liabilities	510.2	495.5		766.4	771.4
Total Liabilities and Equity	\$3,270.1	\$3,840.1		\$4,094.6	\$4,094.6

Notes:

1) Figures presented reflect whole numbers which may cause \$0.1M in rounding differences on some line items.

1 **Requirement:**

2

3 **Regulated statement of retained earnings.**

4

5 **Submission:**

6

7 Please refer to Partially Confidential Attachment 1.

Nova Scotia Power Inc.
Regulated Statement of Retained Earnings
Years Ended December 31st
Millions of Dollars

2012 Financial Outlook

	(1)	(2)	(3)	(4)	(5)
	Compliance Restated 2009	Actual 2010	Forecast 2011	Present Rates 2012	Proposed Rates 2012
3 Regulated Retained Earnings at Beginning of Year	\$224.3	\$246.8		\$348.1	\$348.1
4 Net earnings applicable to common shares	99.6	126.8		64.6	130.4
5	323.9	373.6		412.7	478.5
6					
7 Common dividends	(79.1)	(100.0)		(5.0)	(75.8)
8					
9 Regulated Retained Earnings at End of Year	\$244.8	\$273.6		\$407.7	\$402.7

11 **Notes:**

- 12 1) Figures presented reflect whole numbers which may cause \$0.1M in rounding differences on some line items.
 13 2) All dividends are paid to the extent required to maintain the capital structure approved for rate making.

1 **Requirement:**

2

3 **Regulated statement of cash flows.**

4

5 **Submission:**

6

7 Please refer to Partially Confidential Attachment 1.

Nova Scotia Power Inc.
Regulated Statement of Cash Flows
Years Ended December 31st
Millions of Dollars

2012 Financial Outlook

	(1) Compliance Restated 2009	(2) Actual 2010	(3) Forecast 2011	(4) Present Rates 2012	(5) Proposed Rates 2012
Operating Activities					
Net earnings applicable to common	\$99.6	\$126.8		\$64.6	\$130.4
Non cash items:					
Depreciation	145.0	150.4		178.0	178.0
Regulatory amortization	18.3	36.9		21.6	21.6
Less AFUDC and FAM interest	(7.6)	(20.9)		(28.9)	(28.9)
Deferred charges, net / Other	18.7	(54.8)		45.4	45.4
Cash flow from operations	274.0	238.4		280.7	346.5
Change in operating working capital	(33.8)	59.1		20.6	33.4
Net Cash From Operations	240.2	297.5		301.3	380.0
Financing Activities					
Dividends paid on common shares	(79.1)	(100.0)		(5.0)	(75.8)
Proceeds from (repayment of) long term debt	-	200.0		200.0	200.0
Proceeds from (repayment of) Preferred Shares	-	-		-	-
Proceeds from (repayment of) Common Shares	-	50.0		-	-
Increase in (repayment of) short term debt	34.6	90.6		(96.6)	(104.4)
Other	-	(7.6)		(2.2)	(2.2)
Net Cash From Financing	(44.5)	233.0		96.2	17.6
Investing Activities					
Property plant and equipment, net	(195.7)	(530.2)		(397.5)	(397.6)
Net Cash Used in Investing	(195.7)	(530.2)		(397.5)	(397.6)
Decrease in cash equivalents	-	-		-	-
Cash and cash equivalents:					
Cash and cash equivalents, beginning of year	-	-		-	-
Cash and cash equivalents, end of year	-	0.3		0.0	(0.0)

Notes:

- 1) Figures presented reflect whole numbers which may cause \$0.1M in rounding differences on some line items.
 2) All dividends are paid to the extent required to maintain the capital structure approved by the UARB.

1 **Requirement:**

2

3 **Electric revenue details.**

4

5 **Submission:**

6

7 Please refer to Partially Confidential Attachment 1.

Nova Scotia Power Inc.
Electric Revenue Details
Years Ended December 31st
Millions of Dollars

	(1)	(2)	(3)	(4)		(5)		(6)		(7)		(8)	
	Compliance Restated 2009	Actual 2010	Forecast 2011	Embedded Cost Rates	Proposed BA Component ²	Total	Embedded Cost Rates	Proposed BA Component ²	Total	Embedded Cost Rates	Proposed BA Component ²	Total	Total
				<u>Present Rates 2012</u>			<u>Proposed Rates 2012</u>			<u>Proposed Rates 2012</u>			
3 Residential	\$542.8	\$531.0			\$19.0	\$583.2		\$19.0	\$625.7		\$19.0	\$625.7	
4													
5 General													
6 Small general	33.6	30.3			1.1	\$30.5		1.1	\$32.2		1.1	\$32.2	
7 General	276.6	258.8			11.6	\$284.8		11.6	\$302.5		11.6	\$302.5	
8 Large general	38.0	36.2			1.8	\$37.8		1.8	\$40.5		1.8	\$40.5	
9 Total General	348.2	325.3			14.5	353.1		14.5	375.2		14.5	375.2	
10													
11 Industrial													
12 Small industrial	26.1	25.7			1.1	\$27.4		1.1	\$29.4		1.1	\$29.4	
13 Medium industrial	53.2	44.0			2.2	\$47.1		2.2	\$50.5		2.2	\$50.5	
14 Large industrial	71.1	68.0			3.9	\$74.3		3.9	\$79.6		3.9	\$79.6	
15 GRLF	1.1	1.2			-	\$6.7		-	\$6.7		-	\$6.7	
16 Mersey Basic Block	9.4	8.5			-	\$9.3		-	\$9.3		-	\$9.3	
17 Mersey Additional Energy	11.7	10.7			0.5	\$11.7		0.5	\$11.7		0.5	\$11.7	
18 Extra large industrial 2P-RTP	130.3	111.3			7.5	\$121.0		7.5	\$137.0		7.5	\$137.0	
19 Total Industrial	302.9	269.4			15.3	297.6		15.3	324.3		15.3	324.3	
20													
21 Other													
22 Municipal	17.6	16.8			0.9	\$18.5		0.9	\$19.8		0.9	\$19.8	
23 Unmetered before LED Capital-Related Cost	25.2	24.3			0.5	\$25.8		0.5	\$25.9		0.5	\$25.9	
24 LED Capital-related Costs					-	\$0.0		-	\$1.3		-	\$1.3	
25 Unmetered Total					0.5	\$25.8		0.5	\$27.2		0.5	\$27.2	
26													
27 Total in Province Electric Revenue	1,236.7	1,166.8			\$50.2	\$1,278.2		\$50.2	\$1,372.3		\$50.2	\$1,372.3	
28													
29 Exports	4.6	0.5			-	1.0		-	\$1.0		-	\$1.0	
30													
31 Total Electric Revenue	1,241.3	1,167.3			50.2	1,279.2		50.2	1,373.2		50.2	1,373.2	
32													
33 Notes:													
34													

1) Figures presented reflect whole numbers which may cause \$0.1M in rounding differences on some line items.
 2) Please note that this is the proposed BA Component of the FAM rider. This will be decided in a separate venue later this fall.

1 **Requirement:**

2

3 **GWh production and sales.**

4

5 **Submission:**

6

7 Please refer to Partially Confidential Attachment 1.

Nova Scotia Power Inc.
GWh Production and Sales
Years Ended December 31st

2012 Financial Outlook

	(1)	(2)	(3)	(4)	(5)
	Compliance			Present	Proposed
	Restated	Actual 2010	Forecast	Rates	Rates
	2009		2011	2012	2012
Residential	4,185.7	4,147.2		4,372.5	4,372.5
General					
Small general	255.1	232.2		219.5	219.5
General	2,561.9	2,440.2		2,534.0	2,534.0
Large general	426.4	416.1		394.4	394.4
Total General	3,243.4	3,088.5		3,147.8	3,147.8
Industrial					
Small industrial	252.4	254.2		261.9	261.9
Medium industrial	580.2	490.7		512.9	512.9
Large industrial	964.8	929.0		932.6	932.6
GRLF	11.1	20.4		108.4	108.4
Mersey Basic Block	189.0	189.0		189.0	189.0
Mersey Additional Energy	178.9	167.2		179.9	179.9
Extra large industrial 2P-RTP	2,098.3	1,857.1		1,814.3	1,814.3
Total Industrial	4,274.7	3,907.6		3,999.1	3,999.1
Other					
Municipal	198.4	193.2		197.4	197.4
Unmetered	115.6	112.8		115.7	115.7
Total Other	314.0	306.0		313.1	313.1
Total In Province Electric Sales	12,017.8	11,449.3		11,832.6	11,832.6
Export	38.9	5.8		33.9	33.9
Total Electric Sales	12,056.7	11,455.1		11,866.4	11,866.4
Losses					
In-province sales	899.1	708.3		814.5	814.5
Exports	1.2	0.1		1.0	1.0
Total Losses	900.3	708.4		815.6	815.6
Total System Requirements	12,957.0	12,163.5		12,682.0	12,682.0
Net System Requirements	12,916.9	12,157.6		12,647.1	12,647.1

Notes:

1) Figures presented reflect whole numbers which may cause rounding differences on some line items.

1 **Requirement:**

2

3 **Details of Fuel and Purchased Power as per Appendix A, Table 8, P-886 filing.**

4

5 **Submission:**

6

7 Please refer to Partially Confidential Attachment 1.

Nova Scotia Power Inc.
Details of Fuel and Purchased Power
Years Ended December 31st
Millions of Dollars

2012 Financial Outlook

	(1) Compliance Restated 2009	(2) Actual 2010	(3) 2011 Base Reset	(4) Forecast 2011	(5) Present Rates 2012	(6) Proposed Rates 2012
3 Fuel By Type						
4 Solid Fuel	\$320.7	\$326.9	\$351.0		\$372.1	\$372.1
5 Natural gas	132.5	167.8	73.7		87.5	87.5
6 Bunker C	45.7	(3.8)	2.8		4.1	4.1
7 Furnace	2.1	2.6	2.3		2.8	2.8
8 Diesel	22.4	1.9	1.9		3.2	3.2
9 Additives - Mercury	3.7	7.6	10.0		0.3	0.3
10 Additives	-	3.8	3.5		3.5	3.5
11 2009 Settlement Agreement Adjustment	(14.5)	-	-		-	-
12 Total Fuel For Generation	512.6	506.8	445.2		473.5	473.5
14 Purchased Power						
15 Imports	5.9	33.1	24.7		33.4	33.4
16 Independent power producers	34.2	16.4	14.8		18.9	18.9
17 Wind purchases	-	27.7	42.7		46.2	46.2
18 Total Purchased Power	40.1	77.2	82.2		98.5	98.5
20 Fuel and Purchased Power	552.7	584.0	527.4		572.0	572.0
22 Fuel For Resale						
23 Costs	53.0	7.9	21.7		34.6	34.6
24 Recoveries	(65.8)	(8.2)	(20.7)		(33.8)	(33.8)
25 Net Cost (Benefit)	(12.8)	(0.3)	1.1		0.8	0.8
27 Exports	4.1	0.3	8.4		0.7	0.7
28 Water Royalties	1.0	0.9	0.9		0.9	0.9
29 Market To Market on HFO and Natural Gas	-	2	-		(0.5)	(0.5)
30 Total Fuel and Purchased Power	\$545.0	\$587.0	\$537.8		\$573.9	\$573.9
32 Total System Requirements (GWh)	12,957.0	12,163.5	12,574.4		12,682.0	12,682.0
34 Total Fuel Cost / MWh	\$42.06	\$48.26	\$42.77		\$45.26	\$45.26

Notes:

1) Figures presented reflect whole numbers which may cause \$0.1M in rounding differences on some line items.

1 **Requirement:**

2

3 **Operating, maintenance, and general expenses breakdown (by major component) in**
4 **real and nominal dollars for the test year and five historic years.**

5

6 **Submission:**

7

8 Please refer to Partially Confidential Attachment 1.

**Nova Scotia Power Inc.
Operating, Maintenance and General Expenses
Years Ended December 31st**

2012 Financial Outlook

1	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Compliance			Forecast	Present	Proposed					
	Compliance	Restated	Actual	Forecast	Rates	Rates					
2	2009	2009	2010	2011	2012	2012					
3	(\$ millions)										
4	Corporate Groups	\$44.0	\$44.0	\$45.9		\$48.5	\$48.5				
5	Technical & Construction Services	-	9.4	11.7		13.5	13.5				
6	Sustainability	-	1.2	3.3		2.0	2.0				
7	Power Production	92.4	85.6	90.9		103.9	103.9				
8	Customer Operations	67.3	64.0	72.5		73.2	73.2				
9	Customer Service	30.7	30.2	34.3		32.5	32.5				
10	Corporate Adjustments	(17.7)	(17.7)	(29.2)		(25.1)	(25.1)				
11	Total Operating, Maintenance & General Expenses	\$216.7	\$216.7	\$229.5		\$248.5	\$248.5				

12 The figures above include pension allocated out to the divisions.

13

14 In the following tables Customer Operations includes Customer Service and pension expense has been removed from each division and moved to Pension Expense for 14 consistency in comparisons.

15	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011F	2012F
16	Corporate Groups	\$39.1	\$37.1	\$38.9	\$37.0	\$35.2	\$34.0	\$37.8	\$40.3	\$42.7	\$43.1
17	Technical & Construction	-	-	-	-	-	-	8.5	10.2		11.0
18	Sustainability	-	-	-	-	-	-	1.1	3.2		1.8
19	Power Production	66.5	69.5	64.7	68.7	73.4	74.1	83.8	80.3		90.2
20	Customer Operations	64.5	72.1	67.7	74.0	69.7	81.7	74.2	88.6		92.7
21	Pension Expense	7.2	9.8	16.4	16.4	30.4	29.4	21.3	8.7		34.7
22	Corporate Adjustments	(6.6)	(8.0)	(14.2)	(11.2)	(12.6)	(17.3)	(17.7)	(20.4)		(25.1)
23	Total	\$170.8	\$180.4	\$173.5	\$185.0	\$196.2	\$201.9	\$199.4	\$207.1	\$229.5	\$248.5

25	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011F	2012F
26	Corporate Groups	\$39.1	\$35.9	\$36.9	\$34.2	\$31.9	\$30.3	\$32.6	\$34.8		\$34.9
27	Technical & Construction	-	-	-	-	-	-	7.3	8.7		8.9
28	Sustainability	-	-	-	-	-	-	1.0	2.7		1.4
29	Power Production	66.5	67.2	61.5	63.5	66.5	65.9	72.3	69.4		73.1
30	Customer Operations	64.5	69.7	64.3	68.4	63.1	72.7	64.0	76.6		75.1
31	Pension Expense	7.2	9.5	15.6	15.2	27.5	26.1	18.4	7.5		28.1
32	Corporate Adjustments	(6.6)	(7.7)	(13.5)	(10.4)	(11.4)	(15.4)	(15.3)	(17.6)		(20.3)
33	Total	\$170.8	\$174.5	\$164.8	\$171.0	\$177.7	\$179.5	\$172.1	\$179.0	\$194.2	\$201.4

35	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011F	2012F
36	Corporate Groups	\$3.2	\$3.0	\$3.1	\$3.0	\$3.1	\$2.7	\$3.3	\$3.5		\$3.4
37	Technical & Construction	-	-	-	-	-	-	0.7	0.8		0.9
38	Sustainability	-	-	-	-	-	-	0.1	0.3		0.1
39	Power Production	5.5	5.6	5.2	5.5	6.5	5.8	6.7	6.6		7.1
40	Customer Operations	5.4	5.8	5.4	5.9	6.1	6.4	5.9	7.3		7.3
41	Pension Expense	0.6	0.8	1.3	1.3	2.7	2.3	1.7	0.7		2.7
42	Corporate Adjustments	(0.5)	(0.6)	(1.1)	(0.9)	(1.1)	(1.4)	(1.4)	(1.7)		(2.0)
43	Total	\$14.2	\$14.6	\$13.8	\$14.8	\$17.3	\$15.9	\$15.9	\$17.1	\$18.9	\$19.6

46	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011F	2012F
47	Corporate Groups	\$3.2	\$2.9	\$2.9	\$2.7	\$2.8	\$2.4	\$2.9	\$3.0		\$2.8
48	Technical & Construction	-	-	-	-	-	-	0.6	0.7		0.7
49	Sustainability	-	-	-	-	-	-	0.1	0.2		0.1
50	Power Production	5.5	5.4	4.9	5.1	5.9	5.2	5.8	5.7		5.8
51	Customer Operations	5.4	5.7	5.1	5.5	5.6	5.7	5.1	6.3		5.9
52	Pension Expense	0.6	0.8	1.2	1.2	2.4	2.1	1.5	0.6		2.2
53	Corporate Adjustments	(0.5)	(0.6)	(1.1)	(0.8)	(1.0)	(1.2)	(1.5)	(2.0)		(1.6)
54	Total	\$14.2	\$14.2	\$13.1	\$13.7	\$15.6	\$14.1	\$13.7	\$14.8	\$16.0	\$15.9

57	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011F	2012F
58	Corporate Groups	\$85.9	\$80.8	\$83.8	\$79.5	\$74.7	\$71.6	\$78.8	\$83.4	\$87.7	\$87.3
59	Technical & Construction	-	-	-	-	-	-	17.6	21.0		22.3
60	Sustainability	-	-	-	-	-	-	2.3	6.5		3.6
61	Power Production	146.4	151.4	139.6	147.5	155.7	155.8	174.8	166.1		182.7
62	Customer Operations	142.0	157.1	145.9	158.7	147.9	171.9	154.8	183.3		187.7
63	Pension Expense	15.8	21.3	35.4	35.3	64.5	61.8	44.4	18.0		70.3
64	Corporate Adjustments	(14.4)	(17.4)	(30.6)	(24.1)	(26.7)	(36.5)	(36.9)	(42.2)		(50.7)
65	Total	\$375.7	\$393.2	\$374.1	\$396.9	\$416.1	\$424.5	\$415.9	\$428.4	\$470.9	\$503.1

68	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011F	2012F
69	Corporate Groups	\$85.9	\$78.2	\$79.6	\$73.5	\$67.7	\$63.6	\$68.1	\$72.0	\$74.2	\$70.8
70	Technical & Construction	-	-	-	-	-	-	15.2	17.8		18.1
71	Sustainability	-	-	-	-	-	-	2.0	5.5		2.9
72	Power Production	146.4	146.4	132.6	136.3	141.0	138.5	150.9	143.5		148.1
73	Customer Operations	142.0	151.9	138.6	146.7	133.9	152.8	133.6	158.4		152.1
74	Pension Expense	15.8	20.6	33.6	32.6	58.4	54.9	38.3	15.6		56.9
75	Corporate Adjustments	(14.4)	(16.9)	(29.0)	(22.3)	(24.1)	(32.4)	(31.9)	(36.5)		(41.1)
76	Total	\$375.7	\$380.3	\$355.4	\$366.9	\$376.9	\$377.4	\$359.0	\$370.2	\$398.3	\$407.8

79	Generation (Gwh)	12,030.7	12,328.8	12,564.9	12,482.8	11,352.4	12,698.9	12,562.7	12,091.6	12,163.6	12,682.0
80	Average # of Customers	454,509	458,819	463,782	466,034	471,437	475,635	479,456	483,413	487,460	493,916

81 Notes:

82 1) Figures presented reflect whole numbers which may cause \$0.1M in rounding differences on some line items.

Forecasts are compiled for purposes of this rate application and are not intended to be relied upon for other purposes.

1 **Requirement:**

2

3 **Revenue requirement and rate increase breakdown.**

4

5 **Submission:**

6

7 Please refer to DE-03 – DE-04 Section 10, Revenue Forecast and Proposed Rates, Figure

8 10.7.

1 **Requirement:**

2

3 **Estimated average capital and cost of capital.**

4

5 **Submission:**

6

7 Please refer to Attachment 1.

Nova Scotia Power Inc.
Estimated Average Capital and Cost of Capital
Years Ended December 31st
Millions of Dollars

2012 Financial Outlook

1	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
	Opening	Closing	Average Capital	Capital Ratio	Cost Pre-tax Factor	Cost After-tax Factor	Weighted Pre-tax Cost	Weighted After-tax Cost	
2	Estimated Cost of Capital								
3	Short-term debt	\$387.6	\$282.2	\$334.9	9.2%	2.32%	1.60%	0.21%	0.15%
4									
5	Long-term debt	1,694.9	1,894.2	1,794.6	49.5%	7.95%	5.50%	3.94%	2.72%
6	Total debt	\$2,082.5	\$2,176.3	\$2,129.4	58.8%	10.27%	7.10%	4.15%	2.87%
7									
8	Preferred shares	135.0	135.0	135.0	3.7%	5.90%	5.30%	0.22%	0.20%
9									
10	Common equity	1,332.7	1,387.3	1,360.0	37.5%	9.60%	9.60%	3.60%	3.60%
11									
12	Total	\$3,550.2	\$3,698.7	\$3,624.5	100.0%			7.97%	6.67%

14 **Notes:**

- 15 1) Figures presented reflect whole numbers which may cause \$0.1M in rounding differences on some line items
16 2) Calculation based on 2012 Test Year Forecast - Proposed Rates
17 4) Pre-tax equity cost excludes the income tax gross-up factor
18 5) Average capital reflects average of year-end balances

1 **Requirement:**

2

3 **Details of Interest Charges.**

4

5 **Submission:**

6

7 Please refer to Partially Confidential Attachment 1.

Nova Scotia Power Inc.
Details of Interest Charges
Years Ended December 31st
Millions of Dollars

2012 Financial Outlook

1	(1)	(2)	(3)	(4)	(5)
2	Compliance Restated 2009	Actual 2010	Forecast 2011	Present Rates 2012	Proposed Rates 2012
3 Interest on long-term debt	\$94.0	\$109.0		\$125.3	\$125.3
4 Interest on short-term borrowings	11.0	1.6		8.8	7.8
5 Other financing charges & adjustments	1.5	14.3		3.5	3.5
6 Amortization of deferred financing charges	13.4	13.9		13.8	13.8
7 Total Regulated Financing Cost	\$119.9	\$138.7		\$151.5	\$150.4

8
9 **Notes:**

10 1) Figures presented reflect whole numbers which may cause \$0.1M in rounding differences on some line items.

1 **Requirement:**

2

3 **Average rate base, supporting schedule – capital assets.**

4

5 **Submission:**

6

7 Please refer to Partially Confidential Attachment 1.

Nova Scotia Power Inc.

Average Rate Base

Supporting Schedule - Capital Assets

Years Ended December 31st

Millions of dollars

2012 Financial Outlook

	(1)	(2)	(3)	(4)
		Proposed Rates Test Year		
	Forecast 2011	Forecast 2012	Average 2012	Reference
1				
2				
3	<u>Net Regulated Plant in Service</u>			
4		\$2,903.9		FOR-02, line 4
5		264.9		
6		(168.4)		FOR-12, line 22
7				
8		\$3,000.5	\$2,952.2	FOR-02, line 4
9				
10	<u>Construction work in progress</u>			
11		\$322.1		FOR-02, line 5
12		422.0		FOR-04, line 32 & AFUDC on Capital
13		(264.9)		FOR-12, Line 5
14				
15		\$479.1	\$400.6	FOR-02, line 5
16				
17	<u>Depreciation expense</u>			
18		\$178.0		FOR-01, line 16
19	Less:			
20		(9.6)		
21				
22		\$168.4		
23	<u>Notes:</u>			

24 1) Figures presented reflect whole numbers which may cause \$0.1M in rounding differences on some line items.

1 **Requirement:**

2

3 **Average rate base, supporting schedule – deferred charges & credits.**

4

5 **Submission:**

6

7 Please refer to Partially Confidential Attachment 1.

Nova Scotia Power Inc.

Average Rate Base

Supporting Schedule - Deferred Charges & Credits

Years Ended December 31st

Millions of dollars

2012 Financial Outlook

	(1)	(2)	(3)	(4)
		Proposed Rates		
		Test Year		
	Forecast	Forecast	Average	Reference
	2011	2012	2012	
1				
2				
3 <u>Deferred Charges - Financing</u>				
4 <u>Defeasance</u>				
5 Beginning balance		\$82.4		
6 Less: Amortization		(11.9)		
7 Ending balance		70.5	76.5	
8 <u>Financing Issue Costs</u>				
9 Beginning balance		12.1		
10 Add: New debt issue costs		0.5		
11 Less: Amortization		(1.9)		
12 Ending balance		10.7	11.4	
13				
14 <u>Total Deferred Charges - Financing Ending Balance</u>		81.3	87.9	RB-02-16, line 8
15				
16 <u>Total Amortization of Deferred Financing Charges</u>		(13.8)		FOR-11, line 6
17				
18 <u>Deferred Charges - Tax</u>				
19 Beginning balance		64.7		
20 Add: Additions / Adjustments		-		
21 Less: Amortizations		(18.5)		
22 Ending balance		46.3	55.5	RB-02-16, line 9
23				
24 <u>Deferred Charges - Pension</u>				
25 Beginning balance		56.6		
26 Add: Pension funding		43.9		
27 Less: Pension expense		(40.8)		
28 Ending balance		59.7	58.1	RB-02-16, line 10
29				
30 <u>Deferred Charges - Future Income Taxes on FAM</u>				
31 Beginning balance		22.1		
32 Less: Adjustments		(14.5)		
33 Ending balance		7.7	14.9	RB-02-16, line 15
34				
35 <u>Deferred Charges - FAM Fuel Deferral</u>				
36 Beginning balance		71.4		
37 Add: FAM Interest		3.5		
38 Less: Received from Customers		(50.2)		
39 Ending balance		24.7	48.1	RB-02-16, line 12
40				
41 <u>Deferred Charges - Other General</u>				
42 Beginning balance		8.2		
43 Less: Amortization		(3.2)		
44 Ending balance		5.1	6.7	RB-02-16, line 13
45				
46 <u>Asset retirement Obligation</u>				
47 Beginning balance		144.4		
48 Add: Asset retirement obligation expense		9.6		FOR-12, line 20
49 Ending balance		154.0	149.2	RB-02-16, line 14
50				
51 <u>Other Deferred Credits</u>				
52 Beginning balance		2.4		
53 Less: Amortization and adjustments		(0.6)		
54 Ending balance		1.9	2.2	RB-02-16, line 16
55				

56 1) Figures presented reflect whole numbers which may cause \$0.1M in rounding differences on some line items.

1 **Requirement:**

2

3 **Average rate base, supporting schedule – allowance for materials & supplies.**

4

5 **Submission:**

6

7 Please refer to Partially Confidential Attachment 1.

Nova Scotia Power Inc.

Average Rate Base

Supporting Schedule - Allowance for Materials & Supplies

Years Ended December 31st

Millions of dollars

2012 Financial Outlook

	(1)	(2)	(3)	(4)
		Proposed Rates Test Year		
	Forecast 2011	Forecast 2012	Average 2012	Reference
1				
2				
3				
4	<u>Fuel Inventory</u>			
5		\$77.4		
6		70.9		
7		69.4		
8		67.0		
9		74.2		
10		90.7		
11		87.6		
12		87.8		
13		91.7		
14		94.2		
15		96.2		
16		88.1		FOR-02, line 14
17		82.9	95.3	
18				
19	<u>Materials Inventory</u>			
20		26.9		
21		26.1		
22		26.7		
23		27.5		
24		27.8		
25		27.8		
26		28.1		
27		29.3		
28		28.6		
29		28.6		
30		28.2		
31		28.4		FOR-02, line 13
32		27.8	27.3	
33				
34	Allowance for materials and supplies			
35		82.9	95.3	
36		27.8	27.3	
37		\$110.8	\$122.6	RB-02-16, line 18

Notes:

39 1) Figures presented reflect whole numbers which may cause \$0.1M in rounding differences on some line items.

1 **Requirement:**

2

3 **Average rate base, supporting schedule – allowance for working capital.**

4

5 **Submission:**

6

7 Please refer to Attachment 1.

Nova Scotia Power Inc.**Average Rate Base****Supporting Schedule - Allowance for Working Capital**

Years Ended December 31st

Millions of dollars

2012 Financial Outlook

2009 Compliance Rates - Cash Working Capital Requirement					
Category	Lag Days (a)	Net Lag Days (b) [49.9 days - (a)]	% of Year (c) [(b) / 365]	Annual Cost (d)	CWC [(c) x (d)]
Revenue Lag	49.9				
Labour	21.3	28.6	7.8	\$ 125.7	9.8
Non-Labour Operating	30.2	19.7	5.4	\$ 91.0	4.9
Fuel & Purchased Power	26.5	23.5	6.4	\$ 610.9	39.2
Grants In Lieu of Taxes	(135.4)	185.3	50.8	\$ 34.8	17.7
Income Taxes	14.7	35.2	9.6	\$ 70.0	6.8
HST and Energy Rebate					2.6
TOTAL					81.0
Less Consumer Deposits					(12.2)
CWC Requirement - 2009C	RB-2-16, Line 19				68.8

15

2012 Test Year Proposed Rates - Cash Working Capital Requirement					
Category	Lag Days (a)	Net Lag Days (b) [51.9 days - (a)]	% of Year (c) [(b) / 366]	Annual Cost (d)	CWC [(c) x (d)]
Revenue Lag	51.9				
Labour	23.4	28.5	7.8	\$ 127.0	9.9
Non-Labour Operating	26.5	25.4	7.0	\$ 125.8	8.8
Fuel & Purchased Power	27.1	24.7	6.8	\$ 612.2	41.5
Grants In Lieu of Taxes	(136.7)	188.5	51.6	\$ 36.4	18.8
Income Taxes	210.0	(158.2)	(43.3)	\$ 33.7	(14.6)
HST and Energy Rebate					(1.7)
Other					4.1
TOTAL					66.8
Less Consumer Deposits					(12.0)
CWC Requirement - 2012	RB-02-16, Line 19				54.8

31 **Notes:**

32 1) Figures presented reflect whole numbers which may cause \$0.1M in rounding differences on some line items.