

Bill #97
Fairer Power Rates Act

CHANGES RECOMMENDED TO THE
LAW AMENDMENTS COMMITTEE

PAGE 1 - add after Clause 2 the following:

3 Chapter 380 is further amended by adding immediately after Section 45 the following Sections:

45A (1) In this Section and Sections 45B to 45D, "utility" means Nova Scotia Power Incorporated.

(2) Beginning April 1, 2013, before establishing an allowable return on common equity to be included in the general rate set for the utility, the Board shall review the results of service-standards audits prepared by the utility to evaluate the utility's service standards and determine whether service-standards penalties must be levied on the utility pursuant to the regulations.

(3) Where the Board determines that service-standards penalties must be levied, the penalties in the sum determined by the Board as set out in the regulations must be deducted by the Board from the amount that the utility otherwise would be entitled to earn under subsection 45(1), and the net earnings of the utility must be reduced accordingly.

45B The utility shall complete and file service-standards audits with the Board as required by the regulations.

45C The Governor in Council shall make regulations, for the purpose of Sections 45A and 45B,

(a) prescribing the content and form of service-standards audits that must be filed by the utility, and when they must be filed;

(b) establishing indicators for the Board's use in evaluating the utility's service standards with respect to

(i) the frequency of the utility's service interruptions,

(ii) the length of the utility's service interruptions,

(iii) the periods of time taken by the utility to complete customers' service-related problems,

(iv) the utility's bill-error rate,

(v) the utility's cost-management practices, and

(vi) any other indicators of the utility's service standards that the Governor in Council considers appropriate;

(c) establishing targets, or a method for establishing targets, for each indicator;

(d) providing for exceptions from target requirements;

(e) setting financial penalties that must be levied when targets are not met;

(f) respecting any matter or thing the Governor in Council considers necessary or advisable to effectively carry out the intent and purpose of Sections 45A and 45B.

45D For greater certainty, penalties levied pursuant to Section 45A

(a) must be from monies that would otherwise be directed to the utility's shareholders after the rate of return is determined; and

(b) must not be paid from funds collected in payment of electricity rates by ratepayers.

PAGES 1 to 3, Clauses 3 to 5 - renumber as 4 to 6.
