MCINNES COOPER
LAWYERS | AVOCATS

James A. MacDuff
Direct +1 (902) 444 8619
james.macduff@mcinnescooper.com

Purdy's Wharf Tower II
1300-1969 Upper Water Street
PO Box 730
Halifax NS
Canada B3J 2V1
Tel +1 (902) 425 6500 | Fax +1 (902) 425 6350

January 20, 2026

Ms. Crystal Henwood
Regulatory Affairs Officer/Clerk of the Board
Nova Scotia Energy Board
3rd Floor, 1601 Lower Water Street
Halifax, NS B3J 3P6

Dear Ms. Henwood:

Re: Matter M12551 – Nova Scotia Power Inc. ("NS Power") 2026 Annually Adjusted Rates (AAR) – Submissions on behalf of Port Hawkesbury Paper ("PHP")

On November 7, 2025, NS Power filed for approval of its 2026 AARs, including the Extra-Large Industrial Active Demand Control ("ELIADC") Energy Charge. The Nova Scotia Energy Board (the "Board") established a Hearing Order providing intervenors with the opportunity to file submissions/evidence on January 20, 2026.

Please accept the following brief submissions on behalf of PHP in support of the proposed 2026 ELIADC Energy Charge of $75.87/MWh as filed, with a requested effective date of January 1, 2026.

On December 12, 2025, PHP filed its request for interim approval of the ELIADC Energy Charge effective January 1, 2026, noting that an interim approval would ensure that the amendments to the ELIADC Tariff that were approved on September 22, 2025 for the Third Term of 2026 are incorporated starting on January 1, 2026. This includes the increase in the minimum payment and the incorporation of fixed costs in the CBL Adder as approved by the Board.

On December 24, 2025, the Board invited NS Power and other parties to submit comments regarding the interim request. NS Power confirmed it did not oppose the Board granting interim approval. The Consumer Advocate ("CA") and Industrial Group ("IG") submitted comments that do not challenge the appropriateness of the ELIADC Energy Charge as filed by NS Power. Rather, the comments appear to raise questions about the timing of the effective date.

The CA's submission states that: "Given that the timing of the application of the 2026 Annually Adjusted Rates is outside of the control of those rate classes, the Consumer Advocate submits it would be just and reasonable for the Board to make any interim relief granted in this matter effective on a date that is later than January 1, 2026." Of course, the timing of the AAR application is also outside the control of PHP, and PHP submitted its request for interim approval prior to January 1, 2026. Since the calculations filed in support of the proposed 2026 ELIADC Tariff are all in relation to the 2026 calendar year, it is appropriate for that tariff to be in place for the relevant period where possible, as appears to be the case here.

The IG's submission states at page 2 that:

> "Other classes – including General, Large Industrial and Medium Industrial – also have declines in 2026-2027 rates proposed under the GRA. None have sought interim relief. Granting PHP's request would give a single customer relief while all others await the Board's final decision. This piecemeal approach is particularly inappropriate in the context of a rate that is already in flux and subject to multiple concurrent proceedings."

The rates paid by the General, Large Industrial and Medium Industrial customers are not at issue in this proceeding. PHP is not aware of why certain Above-the-Line customers may have chosen not to seek interim relief in the separate General Rate Application, but those decisions should not be a relevant consideration to the Board in this AAR matter. As all parties are aware, the AARs are adjusted on an annual basis, while the GRA process occurs on a less frequent cycle. The approval of the AARs have never been contingent on the timing of alignment with rate increases for Above-the-Line customers, nor should they be.

Also, and to be clear, the ELIADC rate for 2026 is not "in flux" as the IG contends. As noted, the Board has approved a Third Term for the ELIADC Tariff, which was extended by Board Order effective January 1, 2026 to December 31, inclusive. As the IG's submission notes, there is no commitment for PHP to take service under a new Above-the-Line rate during that term, and the deferral account referenced in the IG's submission is part of the GRA Settlement Agreement that was signed by the IG.

In summary, PHP continues to request that the proposed 2026 ELIADC Energy Charge of $75.87/MWh be approved as filed, with an effective date of January 1, 2026. Consistent with past practice, should the approval be granted on an interim basis, it remains subject to amendment, in whole or in part, by the Board's final 2026 AAR Decision and Order if the Board finds that adjustments to the proposed rate are required after full consideration of the matter.

Yours truly,

James MacDuff

cc: M12551 Participants