M12661

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF:	**The *Public Utilities Act*, R.S.N.S. 1989, c.380, as amended**

- and -

IN THE MATTER OF:	**An Application by NOVA SCOTIA POWER INCORPORATED for approval of an Extra Large Industrial Dispatchable Above-the-Line Tariff applicable to Port Hawkesbury Paper**

PHP INFORMATION REQUEST RESPONSES

To: **Bates White**

From: Port Hawkesbury Paper LP ("PHP")

Copies: 1 electronic copy (PDF searchable)

Contact Person: James MacDuff
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Request IR-1:

a) Please provide PHP's annual financial statements for the past five years.

b) Did PHP model or otherwise forecast its costs under any alternative tariff arrangements for 2026 and/or 2027, including continuation of the ELIADC Tariff or service under the Large Industrial Tariff? If so, please provide that analysis.

Response IR-1:

(a) Pursuant to section 16(3)(a) of the Board Regulatory Rules, N.S. Reg. 90/2021, PHP is not providing the requested information as PHP's confidential financial information is not relevant to the determination of a cost-based Tariff under the *Public Utilities Act*. Nothing in the Tariff proposed in the Application or in the modifications proposed by PHP are dependent on the financial circumstances of PHP.

(b) Yes. For 2026, NS Power provided the forecast of PHP's costs for the ELIADC Tariff in Matter M12551, which has recently been approved by the Board. The approved ELIADC Energy Charge for 2026, effective February 1, 2026, is $75.87/MWh. This is significantly lower than the proposed ATL tariff for PHP for 2026, even after incorporating PHP's proposed modifications to the application. NS Power did not provide a marginal cost forecast under an alternative tariff arrangement for 2027 other than the fuel information reviewed with all parties in the settlement negotiations in Matter M12451, and PHP did not prepare its own independent forecast. The Large Industrial Tariff was reviewed at a high-level. The rates for 2026 and 2027 were recently approved by the Board in Matter M12451, but it does not contain any provision for dispatchable service and includes Riders that would not be applicable to PHP.

Request IR-2:

Please refer to Exhibit N-3, page 3 lines 18-20. Please elaborate on the "seasonal fluctuations" and its impact on PHP energy demand.

Response IR-2:

The market for paper is somewhat seasonal with winter and summer months having generally less demand than spring and fall. PHP's energy demand corresponds to this seasonal variance. Some customers only have one annual large order that PHP produces once a year. Other customers have a more regular and predictable requirement that can smooth out the seasonal fluctuations. Some of the seasonal variances are correlated to PHP's access to energy from the grid, which can be tight during peak winter months for example.

Request IR-3:

Please refer to Exhibit N-3, page 5 lines 13-16. Is it PHP's position that its operational experience under the ELIADC Tariff incurred net costs to PHP, relative to available alternative tariff options? Please explain.

Response IR-3:

PHP agrees with the proposition that the ELIADC Tariff has had a cost to PHP versus a more standardized tariff that does not expose PHP to the variations of energy supply that can limit operations of PHP lines. The wear and tear on equipment and operations that were never designed for continual ramping up and down, within the day, as well as continuous starting and stopping has costs to PHP. PHP does not have a specific quantification of those costs. Refer to CONFIDENTIAL Attachment 1 to SBA IR-1 (a-c) for frequency of dispatch that illustrates the demands placed on PHP's equipment.

Request IR-4:

Please refer to Exhibit N-3, page 8 lines 25-27.

a) Please provide PHP's hourly forecast for 2026 and 2027 of PHP's energy requirements.

b) Please provide PHP's hourly generation forecast for Goose Harbour for 2026 and 2027.

c) Is PHP's request in the referenced text a contravention of the GRA Settlement Agreement? Please explain

Response IR-4:

(a-c) Refer to CONFIDENTIAL Attachment 1 to IG IR-8(a). Note PHP does not profile its forecasts in an hourly manner, they are built up to meet monthly load shapes as provided to NS Power. With respect to the GRA Settlement Agreement, see the response to NS Power IR-1(a).