

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: Board Staff

From: Port Hawkesbury Paper LP ("PHP")

Copies: 1 electronic copy (PDF searchable)

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Request IR-1:

In its evidence, PHP identified several concerns with the proposed ATL tariff and stated it is unlikely to accept service under that tariff if those concerns are not addressed in a satisfactory manner by the Board. In that situation, PHP stated that it would need to undertake development of a below-the-line tariff.

- a) Please explain whether, prior to filing the ATL tariff, PHP made NS Power aware of the concerns that it identified in its evidence. If so, describe what attempts were made to resolve those issues.
- b) Please explain and quantify any detrimental operational and financial impacts that PHP 10 anticipates if the ATL tariff is approved as proposed.
- c) Please explain whether PHP contemplated any potential BTL tariffs as potential options if an acceptable version of the ATL tariff is not approved. Were any such discussions held with NS Power? Please elaborate.

Response IR-1:

- (a) Yes. PHP and NS Power have been in discussions regarding the terms of a potential ATL tariff which would be applicable to PHP since the summer of 2023, prior to the Application to renew the ELIADC Tariff for a two-year extension. Throughout that time period, which included the development of an Application for a further extension of the ELIADC Tariff for 2026, the GRA settlement negotiations, and the finalization of this Application, PHP has made clear to NS Power its views in relation to all aspects of the NS Power proposed ATL tariff. PHP continued to negotiate with NS Power over its remaining concerns with the tariff up until a few days prior to its filing in an attempt to achieve a resolution. PHP's evidence outlines the areas where agreement with NS Power could not be achieved despite these discussions.
- (b) As noted by PHP, if the ATL tariff is approved as filed "it is unlikely PHP will proceed to accept service under the ELID tariff." PHP's position is that the ATL tariff as proposed by NS Power does not reflect cause causality and would overcharge PHP with respect to the service provided, causing an undue financial burden, especially in light of the operational constraints with the provision of dispatch service that is proposed to continue to be provided pursuant to the ATL tariff.
- (c) Recent negotiations with NS Power have focused on the development of an ATL rate. PHP has also contemplated a potential further extension of the ELIADC tariff or similar tariff structure, and although consideration of such an approach was discussed with NS Power at a high-level, it was determined that the parties would continue to work together to focus on developing an ATL tariff to be submitted to the Board for approval.

1 **Request IR-2:**

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3 **Considering the circumstance where the application is not approved, or considered not to**
4 **be acceptable by PHP, and the ELIADC is not extended, and no new BTL rate exists on**
5 **January 1, 2027, what is PHP's understanding of its default rate for service at that time?**
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8 **Response IR-2:**

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10 Although PHP understands it would meet the availability requirements to take service under the
11 Large Industrial Rate Interruptible Rider tariff, this tariff was not designed to accommodate the
12 dispatch service proposed to be provided by PHP. If PHP were to take service under that Tariff,
13 specific provisions would also need to be made to ensure that PHP would not be required to pay
14 any FAM and DSM Rider costs of this class for which PHP is not responsible. Further as noted at
15 section 7.3.3 of Elenchus' Cost of Service Study Consultative Report for NS Power (Exhibit N-9,
16 Appendix 12B to NS Power's recent GRA Application),
17

18 "The load volumes and active demand control characteristics of PHP are
19 sufficiently different from other classes that it is appropriate to treat PHP as a
20 separate rate class if they move above-the-line. NS Power's proposed approach
21 to allocate costs to PHP if they move above-the-line would treat them in a
22 consistent manner as other rate classes with differences in cost allocation arising
23 from the specific load characteristics of the class. In Elenchus' view this is a
24 reasonable approach for PHP and NS Power's other rate classes."
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26 NS Power similarly noted in its Cost of Service Study Process document (Exhibit N-9, Appendix
27 12A to NS Power's recent GRA Application) at section 5.10, "Due to PHP's size, unique operating
28 characteristics, and the anticipated continued provision of Active Demand Control (ADC) service
29 to NS Power, PHP has been modeled in its own ATL rate class."
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31 As noted by PHP in its evidence, if an acceptable version of an ATL tariff is not approved, another
32 alternative would be to "undertake the development of a below-the-line tariff with NS Power that
33 meets the mill's needs."
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