

NOVA SCOTIA ENERGY BOARD

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

**IN THE MATTER OF:** **Application by Nova Scotia Power Inc. for Approval of an  
Extra Large Industrial Dispatchable Above-the-Line  
Tariff Applicable to Port Hawkesbury Paper**

**INFORMATION REQUESTS**  
**(NON-CONFIDENTIAL)**

**To:** **Michael Willett**  
**Director, Regulatory Finance**  
**Nova Scotia Power, Inc. (NS Power)**

**From:** Small Business Advocate

**Responses Due:** April 10, 2026

**Copies:** 1 electronic copy (PDF searchable)

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Issued at Bedford, Nova Scotia on this 12<sup>th</sup> day of March, 2026

1 **Request IR-1:**

2 Refer to M12661, Exhibit N-1, the Application for Approval of an Above-the-Line Tariff  
3 applicable to Port Hawkesbury Paper (the “Application”), Section 2.2 Demand Charge, starting at  
4 page 5 of 19, and please answer the following:

- 5
- 6 a) Describe the rationale for the use of 65MWs for 3CP.
- 7 b) Describe the rationale for the use of 8MWs for firm. Has PHP’s load ever been curtailed  
8 to 8MWs?
- 9 c) Please explain the term “judgment” referenced in Section 2.2, at page 5 of 19, line 22, to  
10 determine a representative CP for costing. Has this determined judgement been subject to  
11 stakeholder feedback? If so, please summarize.
- 12 d) Provide the 3CP for Port Hawkesbury Paper (“PHP”) for the duration of the ELIADC  
13 Tariff, i.e. 2020-current.
- 14 e) Provide the 3CP for PHP for 2010-2020.
- 15 f) Does the use of 65MWs demonstrate that NS Power has incorporated PHP’s flexibility in  
16 planning? If not, please explain.
- 17 g) Confirm that the statement in section 2.2, page 6 of 19, lines 5-7, “i.e. the PHP 3CP figure  
18 employed for Tariff costing and pricing would also be applied for billing purposes  
19 essentially making the demand cost recovery a fixed charge” indicates that the 65MWs will  
20 be the billing demand regardless of actual demand placed on the system during the  
21 coincident peak.
- 22 h) Is the definition of billing demand consistent with the same definition as in the large  
23 industrial tariff? Please explain the difference and how the treatment is fair and consistent  
24 with rate making.
- 25 i) What would be the charges, all cost allocations equal, if the billed demand was based on  
26 maximum demand of the current month rather than the reduced demand? Please provide in  
27 \$/kVa.
- 28 j) Does comparison of the large industrial interruptible transmission rate’s demand charge  
29 and this proposed Extra Large Industrial Dispatchable (ELID) tariff’s demand rate provide  
30 a like-for-like comparison? Please explain.
- 31

32 **Request IR-2:**

33 Refer to M12661, Exhibit N-1, the Application submitted by NS Power, Section 2.4 Interruptible  
34 Service, starting at page 8 of 19, and please answer the following:

- 35
- 36 a) Describe the rationale for the use of the interruptible credit at the same rate as the large  
37 industrial interruptible rider (“LIIR”).
- 38 b) Describe the derivation of the credit. Is the credit based on a marginal cost of capacity or  
39 embedded cost? Does it include only generation related costs or any other?
- 40 c) Provide the origin of the LIIR credit amount and its change in the last two rate proceedings.

- 1 d) Confirm the ELID is an embedded-cost rate while ELIADC was a marginal cost rate.
- 2 e) Referring to footnote 5, page 8 of 19, which references "... Annual Levelized Avoided
- 3 Peaker cost of \$160.44/kW", please confirm that this is the latest value for avoided cost of
- 4 generation costs. Please provide the workpapers supporting this calculation with formulas
- 5 intact.
- 6 f) Regarding the statement, at page 8 of 19, Lines 13 – 16, "It is important to note that this
- 7 is a significantly lower figure than would be applicable to PHP had the credit been
- 8 developed in accordance with the Company's established practice for pricing of the
- 9 interruptible credit (\$13.107 per kVA demand coincident with system peak)", please
- 10 confirm whether NS Power is asserting that paying full avoided capacity credit would result
- 11 in over compensation.
- 12 g) Please confirm whether, if NS Power used the full avoided capacity as the credit, would
- 13 the Dispatchable Rider ("DR") be paying for the same underlying flexibility? If not, please
- 14 explain.
- 15 h) Please confirm whether, if NS Power were to redefine the interruptible rider's credit, would
- 16 NS Power consider the limit in interruptions, i.e. 16 hours per day, 30% per month and
- 17 15% hours per year, in the valuation?
- 18 i) Please provide any support for the 10% priority credit determination including any
- 19 workbooks with formulas intact.
- 20 j) Does NS Power believe that the 10% priority credit captures the value of ancillary services
- 21 implicitly? Please explain answer.
- 22

23 **Request IR-3:**

24 Regarding interruptible events since 2020, please provide the following separately for both PHP

25 and LIIR customers:

- 26 a) The number of events
- 27 b) The MW reduction below 65MWs for PHP, and the MW reduction for each LIIR customer
- 28 c) The duration of the event.
- 29 d) The primary cause of the event – i.e. economic optimization, reliability event, or operation
- 30 emergency such as the Maritime Link trip, etc.

31 For each event, please identify whether the hours were capped due to tariff restrictions; whether

32 there were non-performance issues; and whether this was a priority event (i.e. PHP interrupted

33 prior to LIIR customers).

34

35 **Request IR-4:**

36 Refer to M12661, Exhibit N-1, the Application submitted by NS Power, Section 2.5 Dispatch

37 Rider, starting on page 9 of 19, and please answer the following:

- 38 a) Provide the mathematical formulation of the DR credit.

1 b) Provide the methodology used to determine the Customer Baseline Load (CBL), including  
2 workbooks with intact formulas.

3 c) Referring to the statement, found in *Extra Large Industrial Dispatchable Tariff Application*  
4 – *Attachment 1* Page 8 of 8, where it states:

5  
6 The savings created by NS Power dispatch of the Customer load (DR credit) will  
7 be calculated at year end by comparing the actual system costs with the Customer's  
8 actual dispatched load to a scenario where the actual Customer load is replaced by  
9 the high load factor customer profile (i.e. the Customer Baseline (CBL)) which  
10 incorporates actual Customer load, the dates and durations of the Customer's major  
11 scheduled maintenance periods and other factors as may be appropriate to calculate  
12 a representative CBL.

13 please explain what 'other factors' may be included in the CBL.

14 d) Provide the analyses demonstrating the \$7 to \$11 million savings, as referred to at page 11  
15 of 19, lines 1-3. Please provide the workbook with intact formulas.

16 e) Referring to page 11 of 19, lines 5 – 7, please describe why NS Power believes that the  
17 actual benefit will be approximately half. Please provide the workbooks with intact  
18 formulas that support the claim.

19 f) Confirm if the DR credit is purely an energy-based valuation and does not include  
20 reliability or capacity cost avoidance already captured in the interruptible and priority  
21 credits. If not, what avoided costs are included beyond energy.

22 g) Confirm that the ELID charges are embedded cost-based, while the DR credit is  
23 incremental marginal cost-based.

24 h) Explain the rationale for passing all benefits to PHP, and whether this aligns with the  
25 previous ELIADC tariff.

26 i) Explain if any shared DR savings between PHP and other Above-the-Line customer  
27 constructs were considered.

28 j) Confirm if DR-only dispatches count in the hourly limits of the tariff.

29 k) Confirm if the annual report to the Board will provide DR events versus interruptible or  
30 priority events to ensure that compensation is not duplicated. Please provide a template of  
31 the end of year report.

32  
33 **Request IR-5:**

34 a) Please confirm, should PHP decide not to choose to move to the ELID tariff, what rate  
35 would PHP be on beginning January 1, 2027.

36 b) If it was determined that a new tariff would be required for PHP, how long would it take  
37 to develop a new tariff and have it approved?  
38

1     **Request IR-6:**

2     Refer to M12661, Exhibit N-1, the Application submitted by NS Power, Section 3.1 Consistency  
3     with Established Rate-making Practice in Nova Scotia, starting on page 15 of 19, and please  
4     answer the following:

5         a) Confirm if the components listed as incremental cost-based in the ELID Tariff – the  
6             Customer Charge, the Interruptible Rider credit, and the DR credit – are marginal-cost  
7             based. If incremental cost-based means something other than marginal, please

8                 (i) define “incremental” as used in Section 3.1; and

9                 (ii) provide workpapers and methods to calculate with formulas intact.

10         b) Explain why NS Power believes it is appropriate to overlay a marginal mechanism on an  
11             embedded cost tariff.

12         c) Utilizing the example of the Maritime Link trip that occurred on February 13, 2026, as  
13             referenced in Exhibit N-3, Evidence of PHP, Page 12 and 13 at lines 15-9, compare the  
14             credit paid under the ELIADC versus the hypothetical credit if ELID is adopted as  
15             proposed, distinguishing each credit component – i.e. DR credit - and whether payment  
16             was already included in the interruptible credit or the priority credit.

17         d) Provide the same exercise as described in IR-6 part c for the last 3 interruptible events.  
18

19     **Request IR-7:**

20     Refer to M12661, Exhibit N-1, the Application submitted by NS Power, Attachment 3, page 1 of  
21     1, please answer the following:

22         a) Please provide the supporting workpapers with intact formulas for the calculation of the  
23             cost estimates for Attachment 3.

24         b) Please confirm that the Customer Charge only includes incremental costs.

25         c) Please confirm that ordinary customer-related costs – billing, metering, etc. - are not  
26             included in the ELID Customer Charge and are included in the embedded-cost demand and  
27             energy charges.

28         d) Is it the intent of NS Power to true up the costs of the Customer Charge at year end based  
29             on actual costs? If not, please explain why not.

30         e) Will the customer costs be part of the annual report to the Board?  
31

32     **Request IR-8:**

33     Regarding the revenue to cost ratio, please answer the following questions:

34         a) Confirm that 1.04373 aligns PHP with other ATL customers in the 2026/27 GRA.

35         b) Does NS Power believe that the stability of being an ATL customer merit alignment with  
36             ATL customers and related R/C ratios. If not, please explain.  
37  
38