

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

INFORMATION REQUESTS

To: **Melanie Gillis**
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From: The Consumer Advocate

Responses Due: **April 10, 2026**

Copies: 1 electronic copy (PDF searchable)

Contact Person: **David J. Roberts**
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1 **Request IR-1:**

2 In their evidence, Brubaker & Associates state:

3
4 The interruption demand service will not impose resource capacity cost on NS Power
5 because this demand will be served only on an as-available basis. Hence, NS Power can
6 avoid incurring the cost of resource capacity additions to serve the interruptible demand.
7 Therefore, no Capacity Charge will be justified for interruptible demand, but NS Power's
8 cost of serving the interruptible demand can be recovered in the ELID energy charge, which
9 is designed to recover both fuel/energy power supply, and a portion of NS Power's non-
10 fuel cost of service. Under this ELID design, the ELID will not require an interruptible
11 credit for NS Power interruptible power supply above PHP's firm demand of 8 MW.

12 (N-2, page 2)

13
14 And further

15
16 PHP firm demand service will contribute 8 MW to NS Power firm ATL peak demand.
17 Hence, the firm 8 MW demand charge should reflect the PHP allocated cost of including
18 its 8 MW peak demand in NS Power's 3-CP capacity cost allocation used within its COS.
19 As discussed previously, PHP's interruptible demand in excess of its firm service demand
20 will be paid for by the non-fuel cost included in the ELID energy rate. No interruptible
21 credit would be needed in this ELID pricing structure.

22 (N-2 page 11)

23
24 (a) Please explain what is implied by "Under this ELID design, the ELID will not require an
25 interruptible credit for NS Power interruptible power supply above PHP's firm demand of
26 8 MW."

27 (b) Is PHP proposing that no interruptible credit should be applied to PHP's demand above 8
28 MW?

29
30 **Request IR-2:**

31 In their evidence, Brubaker & Associates state:

32
33 If the ELID capacity charge is designed to include the cost of firm demand service for a 65
34 MW tariff capacity, then the interruptible credit should be applied to 57 MW of the 65 MW
35 service that will be interruptible. NS Power is able to avoid incurring the cost of adding
36 resource capacity additions to serve this interruptible demand. This interruptible credit
37 should be priced at NS Power's estimated marginal cost of capacity of \$13.107/KVA, and
38 updated in the next GRA filing to reflect the current cost of capacity.

39 (N-2 page 3)

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41 Please confirm that other than the interruptible credit price, the proposed ELID tariff is consistent
42 with the above position of PHP. If not confirmed, please explain.

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2
3 **Request IR-3:**

4 In their evidence, Brubaker & Associates state:

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6 Q IF THE ELID INTERRUPTIBLE CREDIT WAS SET AT NS POWER'S AVOIDED
7 CAPACITY COST OF \$13.107/KVA, WOULD PHP PAY ANY CAPACITY COST FOR
8 ITS INTERRUPTIBLE SERVICE?
9

10 A Yes. The proposed ELID 2027 energy charge of \$0.1124/KWh exceeds NS Power's
11 average fuel cost in the LI tariff of \$0.08299/kWh. Hence, NS Power will collect non-fuel
12 margins in the ELID energy rate for all PHP energy purchases from NS Power. The energy
13 rate recovers a large percentage of NS Power non-fuel costs, which are predominantly
14 production, transmission, and related administration charges. Under this approach, PHP
15 would also pay the difference between the proposed demand charge of \$14.310/kVA and
16 the credit of \$13.107/KVA. (N-2 page 22)
17

18 And further:

19
20 NS Power estimates its marginal cost of adding production resource capacity during its 3-
21 CP peak periods to be \$13.107/KVA. Hence, to the extent the Board approves the use of a
22 demand charge applicable to PHP's interruptible load, the ELID interruptible credit should
23 be based on this avoided cost. NS Power's firm service customers will be economically
24 better off either by paying \$13.107/KVA to PHP or by adding new capacity resource
25 additions to the NS Power resource portfolio. If PHP is allocated demand costs exceeding
26 its 8 MW firm peak demand level, it should receive an interruptible credit that fully reflects
27 the system benefits provided by its interruptible load. (N-2 page 24-25)
28

29 Is it PHP's position that if the interruptible credit is set at \$13.107/KVA, then PHP coincident peak
30 parameter in the COSS is reasonable to reflect both firm and interruptible demand (8 MW plus 57
31 MW)?
32

33 **Request IR-4:**

34 In its evidence, PHP states:

35
36 PHP has the following specific areas of concern with respect to the proposed Above-the-
37 Line Tariff:
38

39 (1) the use of a 57,000 kW winter month system coincident demand for PHP
40 interruptible load; (2) the value of the proposed Interruptible credit, if the Board
41 finds that PHP interruptible load should be greater than 0 kW; (3) the use of a
42 Revenue-to-Cost ("R/C") ratio of greater than 1.0 for a new Above-the-Line Tariff;
43 and (4) the forecast energy requirements for PHP in 2026 and 2027 used in
44 calculating the new Above-the-Line Tariff do not reflect the most updated
45 assumptions. (N-3, page 8)
46

1 Please explain PHP's concern with "the use of a 57,000 kW winter month system coincident
2 demand for PHP interruptible load." What value does PHP consider should be used for PHP's
3 interruptible load?
4

5 **Request IR-5:**

6 In its evidence, PHP states:
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8 Unless PHP's areas of concern are addressed by the Board in a satisfactory manner it is
9 unlikely PHP will proceed to accept service under the ELID tariff. PHP would need to
10 undertake the development of a below-the-line tariff with NS Power that meets the mill's
11 needs if it chooses to not accept service under the ELID. (N-3 page 12)
12

13 What does PHP consider satisfactory in addressing the concerns it raised to accept service under
14 the ELID tariff? Does PHP require that all its recommendations are fully accepted or does PHP
15 have any flexibility in this respect?
16

17 **Request IR-6:**

18 In its evidence, PHP proposes the following modifications to the proposed ELID tariff:
19

- 20 1. designing the capacity charge to reflect PHP's actual 8 MW firm demand rather than the
21 proposed 65 MW;
- 22 2. adjusting the interruptible credit to match Nova Scotia Power's marginal cost of capacity
23 at \$13.107/kVA;
- 24 3. applying a revenue-to-cost ratio of 1.0 to prevent PHP from subsidizing other customer
25 classes;
- 26 4. reflect the most updated assumptions of the forecast energy requirements for PHP in 2026
27 and 2027 used in calculating the new Above-the-Line Tariff.
28

29 Given the above, please explain whether or not PHP considers any aspect of PHP's proposed
30 position as set out in PHP's evidence (whether as indicated above or otherwise) to be inconsistent
31 with any terms of the 2026-2027 GRA settlement agreement and why.
32

33 In answering this question, and without limiting the generality of the foregoing, please also address
34 the following:
35

- 36 (a) Please confirm PHP's understanding that the 2026 and 2027 test year cost allocations to
37 ATL customer classes and rate design were based on a set of forecast energy
38 consumption parameters for each customer class, including the parameters for PHP's load
39 (both kWh and kW) under the ELID tariff, and if so, whether PHP understands that it's
40 requested update to the load forecast for the ELID tariff will result in both cost allocation
41 and rate design differences for these two test years from what was contemplated in the
42 2026-2027 GRA settlement agreement. To the extent there are differences, please explain
43 (i) whether or not PHP considers it's proposal to be consistent with the 2026-2027 GRA
44 settlement agreement and why; and (ii) whether or not updating COSS load parameters
45 and rate design for 2026 and 2027 test years in the PHP ATL application will require re-
46 opening of the 2026-2027 GRA COSS and rate design matters in PHP's view.

1
2 (b) Please explain whether or not PHP considers its proposed position of including its 8 MW
3 peak demand in NS Power's 3-CP capacity cost allocation used within its COSS is
4 consistent with the 2026-2027 GRA settlement agreement and why.
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6 **Request IR-7:**

7 In its evidence, PHP states:
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9 These events go unnoticed by the public, yet time and again PHP is called upon as a
10 resource for system reliability that is in a grey area between ADC real time dispatches and
11 the NSPSO interruption protocol. There is a need to consider this additional ancillary
12 service value, that is in addition to the ADC value and the priority interruptible value
13 associated with any ATL tariff, as part of the approval of a new ATL Tariff for PHP. (N-3
14 page 13)
15

16 (a) Does PHP have any proposal on how this additional ancillary service value should be
17 considered as part of the approval of a new ATL Tariff for PHP?
18

19 (b) What will PHP decide beyond 2026 (when the current ELIADC tariff expires) in the case
20 PHP does not accept service under the ELID tariff? Please set out PHP's proposed process
21 and timelines for negotiated BTL tariff after expiry of ELIADC tariff.
22
23