

PARTIALLY CONFIDENTIAL

Request IR-1:

Reference: NS Power Application, page 3 of 19.

The Tariff costing and billing parameters are applied as noted in the Settlement Agreement (SA) which underpins the Company's 2026-2027 General Rate Application (GRA) (M12451) currently before the Board. The SA has been provided to the Board in M12451 as Attachment 1 to NSEB IR-001 and is attached to this Application as Attachment 4.

Reference: NS Power Application, Attachment 4, pages 11-12, "PHP Treatment."

Reference: Direct Evidence of Port Hawkesbury Paper LP, page 8.

Q. Does PHP agree with the proposed Above-the-Line Tariff as filed by NS Power on December 29, 2025?

A. No. PHP has the following specific areas of concern with respect to the proposed Above-the-Line Tariff:

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

Request:

(a) Please confirm, or explain otherwise, that the terms of the 2026-2027 General Rate Application (GRA) Settlement Agreement, to which PHP is a signatory, establish the parameters for the proposed PHP above-the-line (ATL) Tariff to be included in the application to the Board for the following elements:

(i) PHP's firm load at 8 MW at the three coincident peaks;

PARTIALLY CONFIDENTIAL

- 1 **(ii) PHP’s firm, plus interruptible load, at a forecast of 65 MW based on prior**
2 **actual PHP metered load at the time of NS Power’s 3 coincident peaks (3-CP);**
3
4 **(iii) PHP energy will be based on PHP’s forecast usage for the test years, net of the**
5 **amount forecast to be provided by the Goose Harbour Lake Wind Farm; and**
6
7 **(iv) The dollar value of the Interruptible credit to be applicable to PHP’s**
8 **interruptible load shall be the same as the credit for Large Industrial**
9 **Interruptible customers, plus the value of priority interruption service**
10 **provided, if any.**
11
12 **(b) Please confirm that the outcome of the GRA Settlement Agreement negotiations**
13 **established that the revenue to cost ratio to be applied to PHP would be 1.05, in**
14 **accordance with other classes¹ (subsequently revised to 1.0438 for 2026 and 1.0471**
15 **for 2027, in accordance with other rate classes).² If not confirmed, please explain.**
16
17 **(c) Please confirm that if PHP’s interruptible demand above 8 MW is excluded from the**
18 **3-CP allocator, PHP’s transmission cost savings of \$3.7 million in 2026 and \$4.2**
19 **million in 2027, as provided in IR-2 will need to be recovered from other classes.**
20
21 **(d) Please confirm that Large Industrial Interruptible Rider customers pay the same**
22 **transmission costs as Large Industrial customers taking firm service. If not**
23 **confirmed, please explain.**
24

¹ General, Large General, Small Industrial, Medium Industrial, Large Industrial, and Municipal classes.

² The revenue-to-cost ratios for PHP ATL provided in M12451 NSPI (CA) IR-001 Attachment 5 are 1.04373 and 1.04713 for 2026 and 2026, respectively. The Evidence of Colin T. Fitzhenry and Michael P. Gorman (BAI) cited 1.04373 generally.

PARTIALLY CONFIDENTIAL

(e) Please confirm that customers taking non-firm point-to-point transmission service under the Open Access Transmission Tariff pay for transmission service. If not confirmed, please explain.

(f) Please confirm that under PHP's proposal, PHP would be the only NS Power customer on an ATL fully cost embedded rate that would not pay transmission charges on its interruptible load. If not confirmed, please explain.

Request IR-2:

Reference: Evidence of Colin T. Fitzhenry and Michael P. Gorman (BAI), page 19.

NS Power provided an updated COSS for 2026 and 2027 based on a reduction in PHP's total demand coincident with the winter system peaks reduced from 65 MW to 8 MW in Undertaking U-3. Based on these results PHP's rate would be reduced by approximately \$6.5 million in 2026 and \$9.4 million in 2027.

Request:

Please confirm, or explain otherwise, that the reduction in cost allocation to PHP created by the reduction in PHP demand from 65 MW to 8 MW by service area as apportioned to PHP in the 2026 and 2027 Cost of Service Studies and as provided in the following table, would be apportioned to other above-the-line rate classes.

Table 1 – Cost of service of PHP by service area in thousands of dollars

Service Area	2026				2027			
	M14251 CA IR- 001 (65 MW Demand)	M12451 U-3 (8 MW Demand)	Var. (\$)	Var. (%)	M14251 CA IR- 001 (65 MW Demand)	M12451 U-3 (8 MW Demand)	Var. (\$)	Var. (%)
Generation								

M12661 – NS Power Application for Approval of the ELID Tariff
NSPI Information Requests to PHP

PARTIALLY CONFIDENTIAL

Service Area	2026				2027			
	M14251 CA IR- 001 (65 MW Demand)	M12451 U-3 (8 MW Demand)	Var. (\$)	Var. (%)	M14251 CA IR- 001 (65 MW Demand)	M12451 U-3 (8 MW Demand)	Var. (\$)	Var. (%)
Fuel	\$60,070	\$56,017	(4,053)	(7)	\$25,856	\$20,225	(5,631)	(22)
Non-fuel before Int. Credit	\$23,605	\$18,641	(4,964)	(21)	\$13,571	\$7,839	(5,732)	(42)
Non-fuel with Int. Credit	(\$6,114)	\$0	+6,114	(100)	(\$6,137)	\$0	+6,137	(100)
Generation Total	\$77,561	\$74,658	(2,903)	(4)	\$33,291	\$28,064	(5,227)	(16)
Transmission	\$4,181	\$527	(3,654)	(87)	\$4,781	\$603	(4,178)	(87)
Distribution	\$0	\$0	(0)	0	\$0	\$0	(0)	0
Retail	\$116	\$115	(0)	0	\$68	\$53	(16)	(23)
Total	\$81,858	\$75,301	(6,557)	(8)	\$38,141	\$28,720	(9,421)	(25)

Data provided in Table 1 is sourced from M12451 NSPI (CA) IR-001 Attachment 1 and 2, and M12451 Undertaking U-3 Attachments 1 and 4.

Request IR-3:

Reference: Direct Evidence of Port Hawkesbury Paper LP, page 3.

A. Port Hawkesbury Paper is Nova Scotia's largest industrial electricity consumer, in some instances the mill's load can represent up to 25% of the provincial power grid. PHP's energy requirements are closely tied to the order book for paper which has its own seasonal fluctuations depending on when PHP's customers require their paper to be delivered. PHP requires energy around the clock on a 24x7 basis. Even when the mill has no pulp production lines or paper machine running there is approximately 12MW of demand on

PARTIALLY CONFIDENTIAL

1 **site, that includes approximately 4MW that are needed to maintain the shared**
2 **services required for the NS Power Port Hawkesbury Biomass Plant.**
3

4 **Reference: Direct Evidence of Port Hawkesbury Paper LP, page 10.**

5
6 **A. PHP assumes that the ADC component of the ELID tariff and its associated**
7 **protocol will remain mostly intact, with some needed amendments. PHP will**
8 **make its load available to NS Power and the NSPSO for dispatch and function**
9 **much the same as the ELIADC tariff. PHP will also remain priority**
10 **interruptible on top of being dispatchable.**
11

12 **Request:**

13
14 **Please confirm, or explain otherwise, that:**

15
16 **(a) Based on the annual load provided by PHP associated with the 2026 Annually**
17 **Adjusted Rates Application (M12551), PHP's average load is forecast to equal**
18 **approximately [REDACTED] MW in 2026. If not confirmed, please provide PHP's**
19 **understanding of this figure.**
20

21 **(b) PHP's peak load is expected to be approximately [REDACTED] MW in 2026 under current**
22 **operating modes. If not confirmed, please provide PHP's understanding of this figure.**
23

24 **(c) For 2027, while the energy PHP is forecast to purchase from NS Power, aside from**
25 **production from the Goose Harbour Lake Wind Farm, PHP's demand forecast across**
26 **the year is largely unchanged.**
27

28 **Request IR-4:**

29
30 **Please confirm, or explain otherwise, that the transmission facilities serving the Port**
31 **Hawkesbury area must be planned to accommodate PHP's maximum expected operating**
32 **load under normal operating conditions, excluding energy curtailment orders.**

PARTIALLY CONFIDENTIAL

Request IR-5:

Reference: Direct Evidence of Port Hawkesbury Paper LP, page 12.

Unless PHP's areas of concern are addressed by the Board in a satisfactory manner it is unlikely PHP will proceed to accept service under the ELID tariff. PHP would need to undertake the development of a below-the-line tariff with NS Power that meets the mill's needs if it chooses to not accept service under the ELID.

Request:

Please confirm, or explain otherwise, that:

- (a) The principal difference between above-the-line (ATL) and below-the-line (BTL) tariffs is the fuel component of the tariff; and**
- (b) Like the proposed ATL ELID Tariff, a BTL alternative may have embedded cost-based, non-fuel components.**

Request IR-6:

Reference: NS Power Application, pages 8-9 of 19.

With respect to the SA priority interruptible service provisions, the Company's initial analysis of the priority interruptible service has determined the primary direct value of priority interruptibility is to reduce risk of interruption to other interruptible customers. However, in light of the size of this resource and access to it for many years, the potential negative effect of losing this tool during a period of system transformation, the recognized benefits of the dispatch of the PHP load by NS Power on system reliability, and the relatively low cost of acquiring priority interruptible service (approximately \$500,000 annually as modeled in the GRA COSS), the Company considers this to be an area that requires more review and is premature to discontinue. As such, NS Power proposes that priority

PARTIALLY CONFIDENTIAL

1 interruptible service and the compensation to PHP, as modeled, be maintained
2 until it can be revisited in the next GRA. emphasis added

3
4 **Reference:** Direct Evidence of Port Hawkesbury Paper LP, page 9.

5
6 The ELIADC was not designed to specifically be a peak avoidance tariff. The
7 ADC and Priority Interruptible mechanisms inherent to the ELIADC tariff
8 are in place such that at any time PHP’s load can be reduced, if needed, during
9 any peak load event. In fact, when PHP’s load is reduced in advance of a peak
10 load hour, then PHP is acting as a buffer to avoid the system peak. PHP may
11 be contemporaneously running during a peak hour; however, it is unknown at
12 the time if, in fact, the peak hour is being established. At any time, the NSPSO
13 can instruct PHP to reduce its load, and if necessary, can employ the priority
14 interruptible mechanism, should PHP’s load be required to drop when energy
15 is not available to serve PHP load. For these reasons it is not appropriate to
16 determine a demand.

17
18 **Request:**

19
20 **Please confirm, or explain otherwise, that:**

- 21
- 22 **(a)** The reduction of PHP load during peak events is likely to produce savings to the
23 benefit of PHP under both the ELIADC Tariff and the proposed ELID Tariff.
- 24
- 25 **(b)** Under the proposed ELID Tariff, the Company proposes to credit PHP approximately
26 \$500,000 per year for the continued provision of Priority Interruptible service and
27 “the recognized benefits of the dispatch of the PHP load by NS Power on system
28 reliability.”

29
30 **Request IR-7:**

31
32 **Reference:** Evidence of Colin T. Fitzhenry and Michael P. Gorman (BAI), pages 2-3.

33
34 [...]
35 NS Power’s cost of serving the interruptible demand can be recovered in
36 the ELID energy charge, which is designed to recover both fuel/energy power
 supply, and a portion of NS Power’s non-fuel cost of service. Under this ELID

PARTIALLY CONFIDENTIAL

1 design, the ELID will not require an interruptible credit for NS Power
2 interruptible power supply above PHP's firm demand of 8 MW. The ELID
3 Energy Charge is designed to recover both fuel and power energy supply.
4 Hence, the non-fuel ELID energy charge will fairly compensate NS Power for
5 its supply of interruptible power service to PHP above its firm power service.
6

7 **Request:**
8

9 Please confirm, or explain otherwise, if it is BAI's understanding that in accordance with the
10 Company's proposed cost-of-service methodology, as supported by PHP, and the proposed
11 rate design, under the proposed ELID Tariff:
12

- 13 (a) The non-fuel costs included in the proposed ELID Tariff Energy Charge in cents per
14 kWh, in addition to base cost of fuel, are strictly energy-related fixed costs; and
15
- 16 (b) The non-fuel demand-related costs are recovered only through the proposed demand
17 charge in \$ per kVA.
18

19 **Request IR-8:**
20

21 **Reference:** NS Power Application, page 8 of 19.
22

23 The ELID Tariff interruptible service provisions, for the most part, adopt the
24 LI Interruptible Rider (LIIR) terms with minor text updates drawn from the
25 ELIADC Tariff interruptible service provisions. With respect to the pricing of
26 interruptible supply to PHP, the SA provides "The dollar value of the
27 Interruptible credit to be applicable to PHP's interruptible load shall be the
28 same as the credit for Large Industrial Interruptible customers, plus the value
29 of priority interruption service provided, if any. The priority interruptibility
30 service that may be provided by PHP is modelled at an additional 10% credit."
31

32 As noted in the SA, for 2026 and 2027, the proposed interruptible credit
33 applicable to PHP is the same as proposed for the LIIR: \$7.638 per kVA and
34 \$7.667 per kVA of interruptible service for 2026 and 2027, respectively. It is
35 important to note that this is a significantly lower figure than would be
36 applicable to PHP had the credit been developed in accordance with the

PARTIALLY CONFIDENTIAL

1 **Company’s established practice for pricing of the interruptible credit (\$13.107**
2 **per kVA demand coincident with system peak). Subject to a Board Decision in**
3 **this matter, it is anticipated the ELID interruptible credit will be revisited in**
4 **the next GRA.**
5

6 **Reference: Evidence of Colin T. Fitzhenry and Michael P. Gorman (BAI), page 3.**
7

8 **NS Power proposes to price the PHP capacity charge by including a 65 MW**
9 **contribution to the ATL system 3-CP allocation. This allocates 65MW of firm**
10 **capacity to the ELID Capacity Charge. PHP’s service with NS Power is stated**
11 **to be only 8 MW of firm service, and interruptible demand service for**
12 **demands above 8 MW.**
13

14 **If the ELID capacity charge is designed to include the cost of firm demand**
15 **service for a 65 MW tariff capacity, then the interruptible credit should be**
16 **applied to 57 MW of the 65 MW service that will be interruptible. NS Power**
17 **is able to avoid incurring the cost of adding resource capacity additions to**
18 **serve this interruptible demand. This interruptible credit should be priced at**
19 **NS Power’s estimated marginal cost of capacity of \$13.107/KVA, and updated**
20 **in the next GRA filing to reflect the current cost of capacity.**
21

22 **Request:**
23

24 **Please confirm, or explain otherwise, if it is BAI’s understanding that other than the price,**
25 **for which it is NS Power’s view that this has been established in the General Rate Application**
26 **Settlement Agreement for 2026 and 2027, the proposed ELID Tariff Demand Charge and**
27 **interruptible credit development is the same as that proposed by BAI.**
28

29 **Request IR-9:**
30

31 **Reference: Evidence of Colin T. Fitzhenry and Michael P. Gorman (BAI), page 5.**
32

33 **Hence, the ELID dispatch and curtailment rights for the PHP’s demands**
34 **above 8 MW allow NS Power to reduce system energy costs and to avoid the**
35 **cost of adding additional production and transmission resource capacity that**
36 **would otherwise be needed to serve a higher ATL firm peak demand if PHP**
37 **full 3-CP demands were served as firm load. Further, NS Power states that it**
38 **will require the PHP load to be interrupted within 10 minutes of a request by**

PARTIALLY CONFIDENTIAL

1 **NS Power, which will allow NS Power to hold this interruption right as**
2 **Operating Reserves, as needed for system reliability.**

3
4 **Request:**

5
6 **Please confirm, or explain otherwise, if it is BAI's understanding that under the proposed**
7 **ELID Tariff:**

8
9 **(a) System energy cost savings produced by the dispatch of PHP load will accrue solely**
10 **to PHP, not other customers.**

11
12 **(b) PHP is compensated for avoided generation capacity savings as enabled by its**
13 **interruptible load through the interruptible credit (recognizing PHP and NS Power**
14 **disagree on the credit value) and this is the same methodology which has been in place**
15 **for decades with respect to Large Industrial Interruptible Rider customers.**

16
17 **(c) Transmission savings attributed to PHP interruptible load would be limited, if any,**
18 **because NS Power's transmission system capacity is built to meet the total system load**
19 **made up of both firm and interruptible loads. This is affirmed by the method of**
20 **interruptible credit calculation which reflects only the avoided generation capacity**
21 **costs and the long-standing assignment of responsibility for transmission costs to**
22 **interruptible customers under the Large Industrial Tariff and non-firm Point-to-**
23 **Point service of the Open Access Transmission Tariff.**

24
25 **Request IR-10:**

26
27 **Reference: Evidence of Colin T. Fitzhenry and Michael P. Gorman (BAI), page 8.**

28
29 **NS Power's proposal under the ELID Tariff is imbalanced and also ignores**
30 **the fact that PHP incurs production delays and likely increased operating cost**
31 **in order to provide NS Power the right to dispatch PHP's load and to interrupt**
32 **PHP down to the firm demand level with only 10 minutes' notice.**

PARTIALLY CONFIDENTIAL

Request:

(a) Please confirm, or explain otherwise, if it is BAI's view that the ELID Tariff should not include provision for the recovery of PHP costs to comply with the tariff provisions?

(b) If not confirmed, would BAI agree that these incremental PHP costs would need to be applied as reductions to the energy saving benefits to accrue to PHP under either the ELIADC Tariff or the proposed ELID Tariff?

Request IR-11:

Reference: Evidence of Colin T. Fitzhenry and Michael P. Gorman (BAI), page 22.

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

Preamble:

The Company notes in the above extract the proposed ELID Tariff 2027 Energy Charge of \$0.1124 per kWh is being compared to the proposed 2026 Large Industrial (LI) Tariff Base Cost of Fuel (BCF) component of \$0.08299 per kWh charge. It may be BAI's intention was to compare the proposed ELID Tariff 2027 Energy Charge to the 2027 BCF component of the \$0.07459 per kWh charge of the LI Tariff.

PARTIALLY CONFIDENTIAL

1 **Request:**

2
3 **Please confirm, or explain otherwise, if it is BAI's understanding that:**

4
5 **(a) Differences between pricing applicable to the LI rate class and PHP under the**
6 **proposed ELID Tariff are due to, but not limited by, the following:**

- 7
- 8 • **Differences in energy and demand usage determinants in the Cost of Service**
9 **Study (COSS) between these two rate classes. Please refer to the 'Exh. 9a**
10 **Annual' tab within the COSS (M12451) for the comparison of such metrics as**
11 **energy line losses, system coincident factor, demand line losses, system**
12 **coincident load factor, etc.**
 - 13
 - 14 • **Differences in service area mix utilized by these two rate classes. Of note**
15 **should be lack of utilization of the distribution system by PHP.**
 - 16
 - 17 • **Differences in the extent to which demand and energy charges applicable to**
18 **each of the classes are aligned with the costs of energy and demand services in**
19 **the COSS for these two classes.**
 - 20
 - 21 • **The effect of fuel-related rate-smoothing which was applied to the LI rate class**
22 **but not the ELID Tariff.**
 - 23

24 **(b) Neither the Energy Charge nor the Demand Charge recognizes the anticipated value**
25 **to PHP for providing NS Power with dispatch of its load, which is expected to result**
26 **in a credit to PHP.**

PARTIALLY CONFIDENTIAL

Request IR-12:

Reference: Evidence of Colin T. Fitzhenry and Michael P. Gorman (BAI), pages 10-11.

The ELID allows NS Power to interrupt the PHP supply as a dispatch resource that will be used to produce system power supply savings. The ELID is also subject to interruptions at the discretion of NS Power if needed to reliably serve its ATL firm customers' peak demands during peak demand periods and/or during system emergencies.

In contrast, under the [LIIR] tariff, customers can only be interrupted for "16 hours a day and 5 days per week to a maximum of 30% of the hours per month, and 15% of the hours per year." The LIIR interruptible service is not used as a dispatch resource, and has limited hours of interruption.

Request:

Please confirm, or explain otherwise, if it is BAI's understanding that:

(a) Under the proposed ELID Tariff, the "system power supply savings" created by the dispatch of PHP load accrue to PHP, not other customers.

(b) The cited limitations on interruptions applicable to Large Industrial Interruptible Rider customers are also included in the proposed ELID Tariff.

Request IR-13:

Reference: Direct Evidence of Port Hawkesbury LP, page 12.

Q. Aside from ADC and being priority interruptible, are there other aspects of PHP's load flexibility that are not properly being captured in the ELID tariff filing?

A. Yes. For example, on February 13, 2026 at approximately 4:31 PM the Maritime Link tripped offline and separated Nova Scotia from Newfoundland. The NSPSO contacted PHP and instructed us to drop a line and PHP reduced

PARTIALLY CONFIDENTIAL

1 **load by approximately 60MW. This was neither a real time (RT) schedule**
2 **dispatch nor an NSPSO call for interruption. The RT hourly dispatch sent by**
3 **NS Power did not have this anticipated drop in the tie line, nor did the NSPSO**
4 **use the interruption protocol specified in the ELIADC tariff. PHP simply**
5 **complied with an instruction to drop load.**
6

7 **Reference: Extra Large Industrial Active Demand Control Tariff, Schedule 1: Active**
8 **Demand Control Energy Supply Protocol, Part B.**
9

10 **(5) If, during the Current Hour, Hour 1 and/or Hour 2, system conditions**
11 **change unexpectedly such that they have a material impact (positive or**
12 **negative) on system costs, NSPSO will contact PHP with a schedule change (an**
13 **increase or reduction in demand) provided such changes fall within: the**
14 **agreed Operating Mode Characteristics Schedule, the final communicated**
15 **PHP shutdowns, and the ADC Operating Procedure. Otherwise the most**
16 **recent schedule submitted by NS Power will be set as the hourly demand. This**
17 **will represent the final demand schedule with any deviations tracked as a**
18 **schedule variance.**
19

20 **Request:**
21

22 **Please confirm the Nova Scotia Power System Operator followed the Active Demand Control**
23 **Energy Supply Protocol specified in the ELIADC Tariff when it requested the PHP load**
24 **drop during the February 13, 2026 system disturbance. If it is PHP's view that the Active**
25 **Demand Control Energy Supply Protocol was not followed, please reference specific sections**
26 **of the Protocol which were not followed and provide detailed explanations to support PHP's**
27 **view in the response.**
28

Contact Person: Blake Williams
Senior Director, Regulatory Affairs
Nova Scotia Power Inc.
Address: 1223 Lower Water Street
Halifax, NS B3J 3S2
Mail: P.O. Box 910

M12661 – NS Power Application for Approval of the ELID Tariff
NSPI Information Requests to PHP

PARTIALLY CONFIDENTIAL

Halifax, NS B3J 2W5

Telephone: (902) 428-6288

Fax: (902) 428-6542

Email: blake.williams@nspower.ca

Issued at Halifax, Nova Scotia, this 12th day of March, 2026.