

2 **NOVA SCOTIA ENERGY BOARD**3 **IN THE MATTER OF:** *The Public Utilities Act*4 **IN THE MATTER OF:** **An Application by Nova Scotia Power Incorporated for**
5 **approval of an Extra Large Industrial Dispatchable Above-the-**
6 **Line Tariff applicable to Port Hawkesbury Paper**

7

8 **INFORMATION REQUESTS****To:** Nova Scotia Power Incorporated ("NSPI")**From:** The Industrial Group**Responses Due:** April 10, 2026**Contact Person** Nancy G. Rubin, K.C.
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9

10 Issued at Halifax, Nova Scotia, this 13th day of March 2026.11 **Request IR-1:**12 **Preamble: The transition or effective date for PHP to take service under the ELID rate**
13 **has not been determined, but may occur part of the way through 2026, and no later than**
14 **January 1, 2027. The GRA models assume ELID service starting January 1, 2026, which is**
15 **now a stale assumption.**16 (a) Please indicate the NSPI proposed approach to establishing the ELID rate
17 in the event PHP takes service as an ATL customer part way through the
18 2026 year. For example, please consider the following:19 (i) If the ELID rate for 2026 is based on COSS using a
20 presumption that there is ELID ATL load throughout the
21 2026 year, even though there was no revenue from this rate
22 for portions of 2026.

- (ii) If the 2026 costing is based on partial year load from ELID during 2026, how would the ELID peak load allocation (3CP) be determined? For example, if PHP commences ELID service partway through 2026, ELID load may only be present during one of the three coincident peak months (e.g., December 2026, but not January or February 2026). Would the 3CP be based solely on the single month in which ELID load exists, or would it be determined assuming the full ELID load was present in all three peak months? Please explain the methodology and reasoning for the approach used.

Request IR-2:

Reference: N-1, ELID Application, page 5, and Attachment 3, page 1.

Preamble: The approximate cost per month for required staff and software to serve PHP is estimated between \$10,000 and \$14,583.33, however, the proposed Customer Charge to be included in the tariff is set at the low end of \$10,000.

- (a) Please provide the rationale for setting the Customer Charge at the low end of the estimated costs.

- (b) Are the estimated costs based on prior actuals? If so, from what years? Please provide records supporting the basis for the costs.

Request IR-3:

Reference: N-1, ELID Application, page 5.

As proposed, rather than relying solely on PHP metered data at the time of the 3CPs, the setting of the PHP coincident peaks for costing and pricing purposes will require judgment as to the level of demand which is representative of PHP system usage and provides for fair allocation of demand-related costs across ATL classes.

- (a) Please provide a complete explanation of the methodology used to arrive at the 65 MW figure as the PHP 3CP billing determinant, including all data, calculations, assumptions and "judgment" used.

- 1 (b) Please quantify the impact on all other class rates of using 65 MW versus
2 8 MW as the PHP 3CP determinant for both 2026 and 2027.

3 **Request IR-4:**

4 **Reference:** N-1, ELID Application, pages 5-6.

5 **Preamble:** NSPI indicates that the *“PHP demand determinant be reviewed and set as*
6 *part of the GRA process or, as applicable, Fuel Adjustment Mechanism (FAM), or related*
7 *proceedings, if occurring between GRAs”*. At Ex N-3 page 3 PHP indicates *“Even when the*
8 *mill has no pulp production lines or paper machine running, there is approximately 12MW*
9 *of demand on site, that includes approximately 4MW that is needed to maintain the shared*
10 *services required for the NSPI Port Hawkesbury Biomass Plant”*.

- 11 (a) Please provide all relevant information NSPI considers necessary to
12 establish the 8 MW as the present 3CP demand determinant, to create the
13 evidence base for this value in the current proceeding.

- 14 (b) Please address the PHP quote above and indicate if the 12 MW less 4 MW
15 is the source of the 8 MW 3CP demand proposed by NSPI.

- 16 (i) If yes, please provide evidence of this load level, including
17 past measured load interruption events (including duration
18 of these events).

- 19 (ii) Please provide a detailed breakdown of the individual
20 equipment loads comprising the 12 MW of connected load
21 referenced above, including the capacity of each
22 component.

- 23 (iii) If no, please provide the same information requested in (i)
24 and (ii) for the 8 MW value (information in events, and on
25 connected loads).

1 **Request IR-5:**

2 **Reference: N-1, ELID Application, Page 6.**

3 *Consistent with the foregoing, it is proposed that the assumed*
4 *costing/billing demand also be adopted and applied for billing purposes*
5 *throughout the year (i.e. the PHP 3CP figure employed for Tariff costing and*
6 *pricing would also be applied for billing purposes essentially making the*
7 *demand cost recovery a fixed charge).*

8 (a) Are there any other ATL customer classes, or any other tariffs, billed on a
9 fixed demand charge basis rather than on the basis of actual metered data
10 at the time of system peaks? Please elaborate.

11 (b) If no other ATL customer is billed on this basis, please explain why this
12 departure from standard practice is appropriate and consistent with
13 established ratemaking principles.

14 (c) In as much specificity as possible, provide a clear framework for Board-
15 approval for setting / resetting PHP's 3CP demand determinant (e.g.
16 statistical method tied to actual dispatch outcomes, bounds reflecting
17 operational feasibility, etc.)

18 **Request IR-6:**

19 **Reference: N-1, ELID Application, Attachment 1, ELID Tariff, page 1 of 8.**

20 *Demand Charge.... Once established through a General Rate Application,*
21 *Fuel Adjustment Mechanism (FAM) proceeding, Rider proceeding, etc. or as*
22 *otherwise directed by the Board, the monthly demand charge will be held*
23 *constant until revised through a subsequent Board Decision.*

24 (a) What is the referenced "Rider proceeding" in the above tariff extract?

25 (b) Is the "FAM proceeding" referenced, the AA/BA proceeding?

26 (c) In the absence of a GRA, how and when does NSPI contemplate such a
27 review would be conducted within the scope of the AA/BA proceeding or
28 otherwise?

29 (d) Where PHP's 3CP determinant is fixed, what are the thresholds or triggers
30 for review, and the intended scope of that Board review?

1 **Request IR-7:**

2 **Reference: N-1, ELID Application, page 7.**

3 **Preamble: NSPI indicates the cost-of-service information is contained in files**
4 **associated with M12451, General Rate Application, specifically SR-01 and associated**
5 **Attachments.**

6 Please provide either a copy of the Cost-of-Service files (including Excel versions of the COSS
7 and BCF) or a reference to the specific Exhibit number where accurate copies of the models can
8 be obtained in the M12451 record, for each of the following (based on GRA proposed methods):

9 (a) For PHP load at GRA levels (810.5 GWh in 2026 and 304.3 GWh in 2027).

10 (i) Using a PHP firm load of 8 MW for 3 CP and 57 MW of
11 interruptible load, as proposed by NSPI, priced at the NSPI
12 proposed credit rate (e.g., \$7.661/kVA in 2027).

13 (ii) Using a PHP firm load of 8 MW for 3 CP, and 57 MW of
14 interruptible load priced at the PHP proposed rate from Ex.
15 N-2 (e.g., \$13.107/kVA in 2027).

16 (iii) Using a PHP firm load of 8 MW for 3 CP, and no interruptible
17 load included in the COS pricing, as understood to be
18 proposed by PHP [if this is not NSPI's understanding of the
19 PHP proposal, please clarify the NSPI understanding as
20 compared to this description, and file the COS
21 representative of that proposal].

22 (b) For PHP load at the levels indicated in Exhibit N-3 page 10 (774 GWh in
23 2026 and 2027, less wind of 154.61 GWh in 2026 and 507.4 GWh in 2027).

24 (i) Using a PHP firm load of 8 MW for 3 CP and 57 MW of
25 interruptible load, as proposed by NS Power.

26 (ii) Using a PHP firm load of 8 MW for 3 CP, and 57 MW of
27 interruptible load priced at the PHP proposed rate from Ex.
28 N-2 (e.g., \$13.107/kVA in 2027).

(iii) Using a PHP firm load of 8 MW for 3 CP, and no interruptible load included in the COS pricing, as understood to be proposed by PHP [if this is not NSPI's understanding of the PHP proposal, please clarify the NSPI understanding as compared to this description, and file the COS representative of that proposal].

(iv) Please also provide NSPI's assessment of the load levels indicated in Exhibit N-3, and whether these load levels identified by PHP have been accepted as reasonable by NSPI. If not, please indicate the load levels NSPI considers reasonable for each year.

(c) For 2026 and 2027, please provide a version based on PHP BTL, using the updated PHP estimates.

Request IR-8:

Reference: N-1, ELID Application, page 7.

Preamble: The Application indicates that the ELID will apply to all ELID consumption above the Subject Energy Amount ("SEA") related to the PHP Goose Harbour Lake wind supply.

(a) Please confirm that the ELID tariff would apply to energy delivered in excess of the SEA, from hour to hour. If not, please explain.

(b) Please confirm that the COSS modelling presumes that the ELID energy is the total energy consumed under the ELID supply and does not have a price distinction or unique characteristics as compared to energy supplied to any other class in the COSS (except losses). If not confirmed, please explain in detail.

(c) Under the energy supply assumed for ELID, please discuss the risk of an adverse economic consumption pattern in the supply delivered under the ELID, as compared to broad energy consumption for other classes. Specifically, if the ELID supply contains little delivery in high wind hours (which are generally lower cost or easier for NSPI to serve) but contains

1 primarily energy delivered in low wind hours (which are the hours of
2 generally higher cost to serve for NSPI, or more difficult to secure supply),
3 is the broad COSS assumption - that ELID energy and other class energy
4 are non-distinguishable - appropriate? If yes, please explain in detail. If
5 NSPI disagrees with any of the stated presumptions in this question, please
6 explain as part of the response.

- 7 (d) Please confirm that ELID load is expected to operate at an approximate
8 20% load factor by 2027 (160 MW peak, per N-1 page 5, and 304 GWh per
9 page 3). If not, please indicate the assumed customer-specific annual load
10 factor for ELID supplies.

11 **Request IR-9:**

12 NSPI states at page 7 that the ultimate energy charge is subject to change based on the outcome
13 of the ongoing Court proceedings regarding FLG2 responsibility. Please provide an analysis
14 quantifying the impact on Large Industrial and Medium Industrial customers if PHP is found not
15 responsible for FLG2 costs, and the associated reallocation of those costs.

16 **Request IR-10:**

17 **Reference: N-1, ELID Application, Page 8, lines 11-17.**

18 *As noted in the SA, for 2026 and 2027, the proposed interruptible credit*
19 *applicable to PHP is the same as proposed for the LIIR: \$7.638 per kVA and*
20 *\$7.667 per kVA of interruptible service for 2026 and 2027, respectively. It is*
21 *important to note that this is a significantly lower figure than would be*
22 *applicable to PHP had the credit been developed in accordance with the*
23 *Company's established practice for pricing of the interruptible credit*
24 *(\$13.107 per kVA demand coincident with system peak). Subject to a Board*
25 *Decision in this matter, it is anticipated the ELID interruptible credit will be*
26 *revisited in the next GRA.*

- 27 (a) Please confirm what PHP's interruptible credit would be if the "established
28 approach" was used for determining the credit and confirm the cost
29 variance anticipated for 2026 and 2027.

- 30 (b) Please provide all supporting evidence to support the calculation in (a).

1 **Request IR-11:**

2 **Reference:** N-1, ELID Application, Page 8 lines 19-26.

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

14 (a) Please provide all data or internal documentation making up NSPI's "initial
15 analysis" of the priority interruptible service, including details on the
16 interruptions determined to be avoided.

17 (b) Please provide a copy of NSPI's internal interruptible protocols, directions
18 and operating procedures.

19 (c) Please provide the economic analysis supporting the conclusion that the
20 priority interruptible service provides approximately \$500,000 in annual
21 value to NSPI. Please provide all underlying data, assumptions, and
22 PLEXOS or PortOps modelling results used to arrive at this figure.

23 (d) Please explain what would be "premature to discontinue" where no priority
24 interruptible service compensation is currently in place?

25 **Request IR-12:**

26 (a) Where PHP's load under ELIADC was optimized along with other supply
27 resources in the development of the day-ahead dispatch plan to provide
28 the least cost dispatch of energy and ancillary services for customers, is it
29 expected that ELID would operate any differently? If so, please explain.

30 (b) Please confirm that in the development of the day-ahead plan, during hours
31 when the margin between generation plus reserve and load is small, PHP
32 load will be economically dispatched down and therefore be unavailable for
33 Operating Reserve. If NSPI disagrees, please explain.

(c) Please confirm that ELID DR gives NSPI full authority to dispatch PHP up and down dynamically at all times, including during system peak? If not, please explain.

(d) Please confirm that NPCC Directory 5 Operating Reserve Requirement 7 indicates that *“loads that are already counted in other demand response programs and would result in double counting the same capacity”* shall not be counted as synchronized reserve, ten-minute reserve or thirty-minute reserve, and in what circumstances does NSPI consider that PHP will be available? Please provide historic examples.

Request IR-13:

Reference: M12184, Application for a Successive Term for ELIADC, N-4, NSPI (BW) RIR- 11:

BW Request IR-11:

Please refer to Exhibit N-1, page 9 lines 5 to 7, where NSPI states: “When there is a loss of supply contingency or high load conditions, the ability to dispatch down PHP in a timely manner has helped reduce the number of occasions when NS Power has to declare an Energy Emergency Alert situation.”

Please identify each occasion that PHP has helped NSPI avert an Energy Emergency situation since the ELIADC tariff has been in place. Please include all supporting materials.

Response IR-11:

The statement in Exhibit N-1, page 9 lines 5 to 7 is based on operational experience. NS Power does not track potential instances of Emergency Energy Alert situations, which were avoided by being effectively managed by supply and demand resources. When 10-minute reserve drops below thresholds, the Energy Emergency Response Procedure is activated which triggers NERC Energy Emergency Alerts and the process of sending Advisories, then Alerts, and if necessary, interruption notifications. There are a number of occasions when Advisories, Alerts, and LIIR Interruptions occurred in the past number of years. PHP would have been dispatched down to minimum load for these occasions.

[emphasis added]

- 1 (a) In the above extract, NSPI states PHP is dispatched down to minimum load
2 when the Energy Emergency Response Procedure is activated. Please
3 confirm this means that there is no load left for PHP to interrupt in such
4 circumstances. If not, please explain.
- 5 (b) During the period the ELIADC has operated, please provide in graphic, and
6 tabular format with narrative explanation, for each instance of load
7 constraint where NSPI alerted and called upon interruptible customers.
- 8 (i) Include a description of the system at the time, the timing of
9 alerts and calls for interruption, whether customers were
10 held in reserve or physically interrupted, the customers
11 held/interrupted and each of their contributions to the
12 reduction in load. Identify each customer by "customer A,
13 customer B etc." and separately identify PHP.
- 14 (ii) In each case where Interruptible customers have been
15 provided an Alert and/or called on to interrupt (or be held in
16 reserve), provide a timeline showing the dispatch of NSPI's
17 resources, including PHP load in response to NSPSO
18 directions and identify any specific alerts and calls under the
19 interruptible portion of the ELIADC tariff.
- 20 (c) Were there any interruptions called where PHP load was not available to
21 be dispatched down, having already been reduced, or where PHP elected
22 to operate regardless? If so, please explain.
- 23 (d) Were there instances where PHP elected to operate through the ADC
24 dispatch direction and it was called on under the priority interruptibility
25 provisions? Please explain.
- 26 (e) Were there instances where PHP's load was above minimum house load
27 but interruptible customers were called on? Please explain and provide
28 details of each instance.
- 29 (f) Please provide particulars of each time that PHP was called on for
30 interruption under the interruptibility provisions of the ELIADC, separate
31 and apart from having been dispatched down?

- (g) Please identify each year in which priority interruptibility has been a component of the tariff under which PHP (or its predecessor owners of the mill) has taken service and specify the applicable tariff in each case.

Request IR-14:

Reference: N-1, ELID Application, page 9 – Priority Interruptible Credit.

- (a) Please provide all workpapers, calculations, and analysis supporting the value of \$0.764/kVA and \$0.767/kVA as the priority interruptible credit, and specifically, explain how the "10% premium" over the standard interruptible credit was derived.

- (b) Please confirm whether the priority interruptible credit is based on actual incremental avoided costs to NSPI or is it simply a 10% uplift applied to the standard LIIR credit as a matter of policy or judgment.

- (c) If 10% is a policy decision, please confirm whether priority credit has ever been applied for in the past (by PHP, its predecessor mill owner or NSPI), and elaborate on what circumstances and amount. Confirm whether this was accepted by the Board.

Request IR-15:

- (a) Given the DR enables NSPI to actively manage PHP's load in real time in response to system conditions, please identify the specific incremental system capability that priority interruptibility provides that is not already available through DR dispatch.

- (b) Provide the calculation, model outputs, engineering or operational analysis that shows the incremental MW of controllable capacity available through priority interruptibility beyond the MW of dispatch flexibility already made available through the DR.

- (c) Please explain whether the NSPSO would ever call for priority interruptibility separately from a DR dispatch reduction, and if so, under what conditions, for what purpose and what incremental system need is served?

(d) Please provide historical and forecasted hours in which NSPI expects priority interruptibility will be:

(i) Operationally necessary;

(ii) Materially different from DR dispatch; and

(iii) Not substitutable with DR load reductions.

Request IR-16:

Reference: N-1, ELID Application, pages 9-11, Dispatchable Rider (DR).

(a) Please confirm that, under the proposed Dispatchable Rider mechanism, the FAM accounting and associated riders applicable to non-ELID customers would be calculated based on a hypothetical system fuel cost — that is, the cost NSPI would have incurred had the ELID Dispatchability activity not taken place — rather than on actual incurred fuel costs. If not confirmed, please explain.

(b) Please elaborate on the relative change in complexity and discretion that will accompany future FAM review calculations (and related review processes) if the FAM inputs are developed based on modelled values and hypotheticals versus actual NS Power supply costs.

(c) Please describe the process NSPI proposes for reviewing and testing the FAM supply cost modelling to be applied following implementation of the DR provision, including the anticipated timing of such review.

(d) What specific data will be required for the review of the FAM supply cost modelling?

1 Request IR-17:

2 Reference: N-1, ELID Application, page 11.

3 ***Based on initial analysis completed in 2025 utilizing forecast data, the***
4 ***Company has estimated that for that period, if PHP load had been dispatched***
5 ***at 100 percent optimal, this service would have delivered approximately \$7***
6 ***to \$11 million of savings to PHP in a year. In reality, this level of savings will***
7 ***be challenging to achieve as system conditions, customer production***
8 ***constraints/requirements, etc. will, at times, conflict with optimal load***
9 ***dispatch. Based on experience with the ELIADC Tariff, the Company***
10 ***estimates that the actual benefit that can be realized will be approximately***
11 ***half this amount.***

12 (a) Please elaborate on the sentence that begins, “In reality...” providing
13 specific operational examples from operation of the ELIADC and
14 comparing to ADC value derived overall.

15 (b) Please provide the full year 2025 data, including all available components
16 of a relevant COSS, BCF and FAM model used to generate the estimate
17 that \$7 to \$11 million would have been available to PHP in savings under
18 the DR. Please ensure the granularity is sufficient to derive the estimate
19 cited.

20 (c) Please also provide an estimate using these general inputs and principles
21 for 2026 and 2027, given the changing Goose Harbour Lake wind
22 contributions to those years. Provide the supporting calculations.

23 (d) Please indicate how the calculations would take into account the “high load
24 factor” presumed PHP operation (Exhibit N-1 page 10) in respect of ELID
25 loads which are already being shaped by the Goose Harbour Lake wind
26 supplies.

27 (e) Would the high load factor presumed baseline be modelled for PHP load
28 inclusive of the Subject Energy Amount (SEA), or only on the ELID
29 supplies?

30 (f) Please provide a detailed description of how the SEA amounts will be
31 considered in the calculation. Explain whether the SEA purchased by NSPI
32 will be part of the supplies tracked as BCF and FAM purchases, or are
33 these simply a flow through to PHP?

1 **Request IR-18:**

2 **Reference: N-1, ELID Application, page 10, lines 9-12.**

3 ***The cost of the DR service (DR credit) is proposed to be included as a FAM***
4 ***cost for recovery from all ATL customers, including PHP. Subject to Board***
5 ***approval of this Application, it is expected changes will be required to the***
6 ***FAM Plan of Administration to recognize this and potentially other ELID***
7 ***Tariff elements.... ATL customers will be held harmless under the DR***
8 ***construct.***

9 (a) Please provide NSPI's current best estimate of the annual DR credit cost
10 to be recovered through the FAM for 2026 and 2027, broken down by
11 customer class, including PHP.

12 (b) Please confirm what changes to the FAM Plan of Administration are
13 anticipated to accommodate the DR credit cost recovery and provide a
14 redline draft of the proposed amendments.

15 (c) The Application goes on to state at page 17, that "*the GRA as filed includes*
16 *the assumed benefit of the DR service in the fuel budget but does not*
17 *include compensation due to PHP (i.e. the DR credit).*" Please explain the
18 potential impact on each customer class if the DR credit is included as a
19 FAM cost in 2026 and 2027, quantified in dollars and cents per kWh.

20 (d) Please define the term "held harmless" as used in the Application?

21 (i) Does this mean zero increase in costs for ATL classes?

22 (ii) Does this mean zero change in risk?

23 (iii) Does this mean no increased rider volatility?

24 (iv) Does this mean no increased exposure to FAM costs?

25 (e) Please provide all quantitative analyses, models or simulations that
26 demonstrate that ATL customers including the Large Industrial and Medium
27 Industrial classes are "held harmless" under the DR. Include Model
28 outputs, assumptions, sensitivities, and alternative scenarios.

29

- (f) Are there any scenarios or outcomes where ATL customers would not be held harmless? Please explain, and discuss the risk factors including those within or outside the control of NSPI.

Request IR-19:

Reference: N-1, ELID Application, page 11.

Consistent with the ELIADC Tariff, PHP operations under the DR will be governed by Operating Procedures developed between NS Power, the System Operator, and PHP (referred to under the ELIADC as Active Demand Control Energy Supply Protocol). However, unlike the ELIADC Tariff, the benefits/costs of compliance/non-compliance with the Operating Procedures will flow fully to PHP dependent primarily on PHP operational priorities. As a result, the Operating Procedures are not included as part of the ELID Tariff and not proposed to be subject to NSEB approval.

- (a) Does the assurance that ATL customers are “held harmless” depend on the DR and compensation for DR?
- (b) Please confirm that how dispatch decisions are operationalized is a key driver of the DR credit magnitude recovered via FAM from ATL customers
- (c) In such circumstances, does NSPI agree that there is a public interest in reviewing the Operating Procedures and securing Board approval? If not, please explain.
- (d) Does NSPI have the unilateral ability to modify Operating Procedures? If not, who else would need to approve?
- (e) How does NSPI contemplate the Operating Procedures under ELID will differ from ELIADC? Please elaborate.
- (f) What is the timeline for development of the Operating Procedures?

Request IR-20:

Reference: N-1, ELID Application, page 17.

In addition to [fixed cost recovery], the ELID tariff will affect fuel costs borne by other customer classes in two respects:

- (1) *DR service will reduce total system costs; however, because (as proposed) the benefits of this will accrue to PHP, the net effect on customers will be neutral. Please note, the GRA as filed includes the***

1 *assumed benefit of the DR service in the fuel budget but does not*
2 *include compensation due to PHP (i.e. the DR credit). Subject to*
3 *Board approval of the ELID Tariff, this will be addressed through the*
4 *FAM.*

- 5 (2) *The incremental cost of serving PHP will affect the total cost of fuel*
6 *borne by all ATL customers. When marginal costs are below average*
7 *ATL classes will generally benefit by PHP ATL service at the*
8 *embedded (i.e. average) cost of fuel. When marginal costs are above*
9 *average, the reverse applies.*

10 *[emphasis added]*

11 **Preamble:** The above excerpt addresses the relationship between marginal and average
12 fuel costs in general terms but does not address how the DR credit interacts with or is
13 affected by variations in marginal costs.

- 14 (a) In relation to item (2) above, please explain, with quantified examples, how
15 the described relationship between marginal and average fuel costs
16 operates to affect PHP and other ATL customers (including the effects of
17 the DR credit) in each of the following scenarios:

18 (i) Marginal costs are generally above average across the
19 system, but PHP shapes its ELID consumption to avoid
20 higher marginal cost periods and consumes ELID energy
21 only during periods when the marginal cost is below
22 average.

23 (ii) PHP operates at a high load factor for its combined ELID
24 and SEA consumption, but the SEA energy is consumed
25 during the same hours in which NSPI's other wind resources
26 are generating — hours that coincide with very little high-
27 variable-cost fuel generation — while the ELID energy is
28 served predominantly from above-average marginal cost
29 sources.

30 **Request IR-21:**

- 31 (a) Using NSPI's spreadsheet (N-1(i), Att.1), provide a class-level breakdown
32 showing how fuel-cost allocation decisions under the ELID tariff would
33 change FAM allocations for LI and MI customers under:

- 1 (i) Base year assumptions
- 2 (ii) High fuel cost scenarios (10%, 20%)
- 3 (iii) Low fuel cost scenarios (10%, 20%)
- 4 (iv) Reduced PHP dispatch flexibility scenarios (reduced by
- 5 10%, 20%, 30%, 50%)
- 6 (b) Provide a detailed reconciliation demonstrating how the DR credit awarded
- 7 to PHP flows through the FAM and affects the fuel allocation to LI and MI
- 8 customers.
- 9 (c) If PHP's annual savings are over-estimated by 10-20%, what is the dollar
- 10 estimate year-over-year of additional FAM costs to LI and MI?

11 **Request IR-22:**

12 **Reference: N-1, ELID Application, pages 14-15, PHP Deferral.**

- 13 (a) Please provide analysis showing the potential magnitude of the PHP
- 14 Deferral Account under a scenario where PHP does not subscribe to ELID
- 15 until January 1, 2027.
- 16 (b) Please quantify the financial impact on other customer classes.
- 17 (c) Please provide an analysis of the deferral balance under baseline, low-
- 18 production and high-DR scenarios. State all assumptions.

19 **Request IR-23:**

20 **Reference: N-1, ELID Application, Attachment 1, ELID Tariff, page 1 of 8.**

21 ***Once established through a General Rate Application, Fuel Adjustment***
22 ***Mechanism (FAM) proceeding, Rider proceeding, etc. or as otherwise***
23 ***directed by the Board, the monthly demand charge will be held constant until***
24 ***revised through a subsequent Board Decision.***

25 **Reference: N-1, ELID Application, Attachment 1, ELID Tariff, page 5 of 8.**

26 ***The Customer will receive a per month per kilovolt ampere reduction in***
27 ***demand charge for billed interruptible demand as shown in the table below.***
28 ***The billed interruptible demand is defined as the difference between any***

contracted firm demand requirements and the total billing demand. Where the billing demand is equal to or less than the contracted firm demand, no interruptible credit shall apply. The billed interruptible demand will be equal to the interruptible demand used for costing the tariff.

(a) Please confirm that the "billing demand" used to calculate the interruptible credit equals the fixed 65 MW determinant, minus the 8 MW firm, such that the interruptible credit applies to 57 MW of demand.

(b) If PHP is dispatched down entirely — that is, to its firm level of 8 MW — through the Dispatchable Rider, will NSPI simultaneously consider that PHP has been "interrupted" within the meaning of the Interruptible Rider? If not, please explain the distinction between being dispatched down to 8 MW under the Dispatchable Rider and being interrupted to 8 MW under the Interruptible Rider, and how this will be recorded.

(c) Can PHP simultaneously receive: (i) a DR credit for being dispatched down through the Dispatchable Rider; and (ii) an interruptible credit for having its load interrupted under the Interruptible Rider —for the same reduction in load? If yes, please address how NSPI proposes to avoid double-counting. If no, please explain how these two mechanisms interact and what governs which credit applies in any given circumstance.

Request IR-24:

Reference: N-1, ELID Application, Attachment 1, ELID Tariff, page 7 of 8

In situations in which load of the Customer under this Tariff is held as Operating Reserve, NS Power may change the above order of interruption by interrupting Large Industrial Interruptible Rider Tariff customers whose load is not held as Operating Reserve before interrupting the Customer.

(a) Please explain in what circumstances this order reversal would apply, and/or has applied in the past.

(b) Please confirm this means that LIIR customers who are not held as Operating Reserve could be physically interrupted ahead of PHP despite PHP's priority status? Please explain why and how this potential order reversal interacts with the priority interruptible credit?

- (c) Please confirm whether LIIR customers have been called on for interruption in advance of PHP under ELIADC in the past, and if so, in what circumstances? Please provide records of all instances.

Request IR-25:

- (a) Where GRLF is interruptible in advance of ELID, why should ELID be afforded a priority credit above GRLF?
- (b) Were other LII customers offered the opportunity to obtain additional credit for priority interruptibility? If not, why not?
- (c) Given that NSPI may hold any remaining PHP load after DR load shifting as Operating Reserve, please explain how PHP offers any value over and above any other telemetry customer?

Request IR-26:

Reference: N-1, ELID Application, Attachment 1, page 8 of 8.

Customers taking service under the ELID Tariff will also be subscribed to this Dispatchable Rider (DR). Under this Rider, NS Power will be able to actively manage the Customer's load in accordance with the terms and conditions to be set out in an Operating Procedure developed between NS Power and the Customer. In addition to the Operating Procedure, all of the Availability terms and conditions of the Interruptible Rider shall also apply to all Customer load above the Customer's firm contracted load. The Company shall specifically identify in advance if any of the Customer's load is being interrupted pursuant to the terms and conditions of the Interruptible Rider in accordance with those procedures rather than the Operating Procedure.

Please provide the specific process or operating protocol (or any other internal document) by which NSPI will identify and document in real time whether a given reduction in PHP's load is being made pursuant to the Interruptible Rider versus the Operating Procedure under the Dispatchable Rider.

1 **Request IR-27:**

2 **Reference:** N-1, ELID Application, Attachment 1, ELID Tariff, page 8 of 8.

3 *Annually, NS Power shall report to the Board to confirm the dollar value of*
4 *system savings that have been achieved through the dispatch of the*
5 *Customer's load under the Operating Procedure. NS Power shall endeavour*
6 *to submit this report no later than 60 days after the end of a tariff year. The*
7 *Customer will be entitled to a credit equal to the cost differential between the*
8 *actual annual system cost and the calculated system cost if the Customer*
9 *was served under the high load factor scenario.*

10 (a) Please compare the reporting provided monthly, quarterly and annually
11 under ELIADC versus what is proposed.

12 (b) Does NSPI acknowledge that a single annual report after year-end without
13 interim metrics reduces operational transparency compared to the current
14 reporting?

15 (c) Can NSPI propose any interim reporting or tracking in the FAM monthly
16 and quarterly reports that would enhance this?

17 (d) Does NSPI propose an audit mechanism of the year-end calculation?

18 **Request IR-28:**

19 **Reference:** N-1(i) spreadsheet.

20 (a) Please confirm the following non-fuel (fixed cost) revenues for PHP as
21 shown in the spreadsheet (tab "PHP"). If NSPI disagrees with any of these
22 values, provide the corrected amounts and identify the corresponding
23 spreadsheet cell references.

24 (i) 2026 ELID (ATL Rate): approximately \$21.788 million non-
25 fuel revenue.

26 (ii) 2026 ELIADC (BTL Rate): approximately \$3.110 million
27 non-fuel revenue.

28 (iii) 2027 ELID (ATL Rate): approximately \$10.187 million non-
29 fuel revenue.

(iv) 2027 ELIADC (BTL Rate): approximately \$1.013 million
non-fuel revenue.

(b) Provide NSPI's forecast of PHP fixed-cost recovery under ELID from 2028-
2037 and the corresponding projected reductions in ATL class allocations.

Request IR-29:

Reference: N-2, Evidence of C. Fitzhenry and M. Gorman, page 3.

Preamble: PHP consultant, Brubaker & Associates, Inc. recommends "updating the
ELID tariff to incorporate revised 2026 and 2027 energy sales forecasts for PHP" and
suggests that "[a]ligning the tariff with current usage assumptions ensures that energy
cost allocations and revenues accurately reflect PHP's actual cost of service."

(a) Please indicate whether NSPI agrees with this conclusion and
recommendation.

(b) Directionally, please confirm the impact of the reduced PHP load on other
ATL customers.

(c) Please provide the updated tariff assumptions and quantify the resulting
impacts on other customer classes.

Request IR-30:

Reference: N-2, Evidence of C. Fitzhenry and M. Gorman, page 15, Table 2.

Preamble: Brubaker & Associates, Inc. includes the summary of historical 3CPs in 2022
and 2023.

(a) Please provide updated PHP Historical 3CPs for 2024-2025.

(b) Do the 2022-2023 values account for line losses? If not, please update with
line loss values.

1 **Request IR-31:**

2 **Reference:** N-2, Evidence of C. Fitzhenry and M. Gorman, page 21.

3 **Preamble:** Brubaker & Associates, Inc. indicates that the \$160.44/kW annual levelized
4 avoided peaker cost used in determining the proposed \$7.661/kVA monthly credit for both
5 Large Industrial Interruptible and for ELID is out of date and undervalues the benefit of
6 interruptible load.

7 (a) Please indicate whether NSPI considers the \$7.661/kVA to be out of date.
8 If yes, please provide the NSPI rationale for using an out-of-date avoided
9 cost benchmark for interruptibility credit. If no, please describe why the
10 avoided cost value is not out of date.

11 (b) Please indicate what NSPI considers to be a fair outcome with respect to
12 Large Industrial Interruptible customer rates in the event PHP is successful
13 in establishing an updated (i.e., higher) value for the avoided cost
14 benchmark. Specifically, please comment on the practicality and fairness
15 of the following possible scenarios:

16 (i) The PHP proposed avoided cost value is recognized as
17 being potentially more accurate or up to date, but the ELID
18 rate is designed with the \$7.661/kVA credit until completion
19 of the next IRP and NSPI GRA, when the upward
20 adjustment could be incorporated into both ELID and LIIR
21 rates.

22 (ii) The PHP proposed avoided cost rate is recognized as more
23 accurate and up to date, and as a result both the ELID and
24 LIIR interruptibility credits are revised upward as part of the
25 resolution of M12661. If so, please indicate how other
26 customer rates may need to be adjusted to implement this
27 outcome.

28

1 (iii) The PHP proposal is accepted, and the ELID interruptibility
2 credit is established based on a higher benchmark avoided
3 cost, but the LIIR credit is retained to be based on a different
4 factual assumption about the value of avoided peaking
5 benchmark. In addressing this possibility, please discuss
6 the normal regulatory principles of fairness between
7 classes.