2025 **M12661**

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: ***The Public Utilities Act***

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: Melissa Whited, Synapse Energy Economics Ltd. (“Synapse”)
Nova Scotia Energy Board

From: The Industrial Group

Responses Due: June 18, 2026

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Issued at Halifax, Nova Scotia, this 20th day of March 2026.

Request IR-1:

Please provide a complete list of all evidence, documents or other records reviewed in advance of preparing of your evidence.

Request IR-2:

Reference: **N-21 – Synapse Evidence, p.3/pdf p.5, lines 6-7.**

> ***NS Power’s proposed tariff … represents an appropriate transition from a below-the-line to an above-the-line framework for service to PHP.***

(a) What, if any, significance should other ratepayers and the Board take from the reference to a “transition”?

(b) What factors does Ms. Whited believe make a transition appropriate or not appropriate?

Request IR-3:

Reference: N-21 – Synapse Evidence, p.4/ pdf p. 6, lines 1-4.

Instead, I recommend that the Board direct PHP and NS Power to negotiate an alternative credit value that would induce PHP's participation, while ensuring that a portion of benefits is retained for other customers.

(a) Please confirm whether Ms. Whited's position is that the interruptible credit (if any) is appropriately determined through negotiation rather than through cost-of-service analysis?

(b) If confirmed, provide a detailed explanation for this position, including:

(i) The regulatory principle(s) relied upon to support a negotiated credit;

(ii) How a negotiated credit ensures compliance with the requirement that rates be just and reasonable; and

(iii) Any precedent decisions or regulatory guidance supporting the use of negotiation in place of cost-based determination.

(c) Please explain how a negotiated interruptible credit would:

(i) Avoid over-recovery or under-recovery of NSPI's revenue requirement;

(ii) Ensure that other ATL customers are not subsidizing PHP; and

(iii) Maintain consistency with cost causation principles.

(d) Please explain why it would be appropriate, from a regulatory perspective, for PHP to receive a credit that differs from cost-based results.

(e) Please define precisely what is meant by "induce participation" including:

(i) The economic threshold or criteria used to determine whether PHP is “induced” to participate;

(ii) Whether this threshold reflects PHP’s internal economics, alternative supply options, or other non-utility cost considerations;

(iii) Whether subjective inducement on the part of PHP is sufficient; and

(iv) Whether and how such criteria are measured, or verified and how they are appropriate for rate-setting purposes.

(f) Please provide any regulatory precedents where an interruptible credit (or analogous rate element) for an above-the-line embedded cost-based rate, has been explicitly set based on a customer-specific inducement threshold.

(g) In recommending a “portion of benefits”, what does Ms. Whited consider a reasonable portion and why?

(h) What analysis or criteria should the Board apply to assess whether a proposed negotiated credit value satisfies both recommended considerations, i.e. that is sufficient to induce participation and that it retains a portion of benefits for other customers (to the appropriate level discussed in (g), above)?

Request IR-4:

Reference: N-21 – Synapse Evidence, p.9/ pdf p.11, lines 16-17.

…[T]here is no above-the-line offering that would serve as a default rate for PHP.

(a) Please confirm Ms. Whited’s understanding that PHP would meet the Availability Clauses of the Large Industrial Tariff and could take service as a Large Industrial Interruptible Customer. If not, please explain.

(b) Please confirm Ms. Whited’s understanding that PHP could also qualify for the below-the-line 1P Transmission Real time Pricing (1P-RTP) Tariff. If not, please explain.

(c) Is Ms. Whited aware that until 2003 when the Extra Large Industrial Interruptible rate (ELIIR) was approved, PHP's predecessor, Stora Enso, took service under the Large Industrial Interruptible rate?

(d) Is it Ms. Whited's understanding that the current proposal is unlikely to result in uptake by PHP based solely on PHP's own evidence? Please explain and provide a copy of any independent analysis done.

Request IR-5:

Reference: N-21 – Synapse Evidence, p.13/ pdf 15, lines 7-10 and 14-19.

Q. If PHP's proposal to assess the demand charge on only 8 MW of its demand is not adopted, it proposes that the interruptible credit be priced at NS Power's estimated marginal cost of capacity of approximately $13.107/kVA. Do you agree?

A. No, for two reasons. … If PHP were compensated at the full marginal cost without accounting for this avoided contribution, it would receive credit for costs that it would otherwise help pay, resulting in an over-allocation of benefits to PHP and a corresponding shift of cost responsibility to other customers. Accordingly, compensation to PHP should be capped at the avoided capacity cost net of its expected revenue contribution under firm service.

(a) Is the theoretical net-avoided-cost figure intended to serve as an upper bound within which any negotiated outcome must fall?

(b) If yes, are you recommending that the Board pre-establish that cap as a condition of the negotiation?

(c) Have you calculated, or are you able to calculate, the value of the figure using NSPI's capacity cost data filed in this proceeding? If yes, please provide that calculation, including the avoided capacity cost used, the firm-service contribution offset applied, and the resulting net figure expressed in $/kVa. If no, what additional information would be required to perform that calculation?

Request IR-6:

Reference: N-21 – Synapse Evidence, p.14/ pdf p.16, lines 7-15.

Preamble: You state that the interruptible credit should likely exceed the current proposed level of approximately $8.40/kVa for 2026 "given that PHP is reluctant to take service on the ELID tariff at this price".

(a) Is PHP's reluctance to take service a cost-causation principle, a rate design principle, or neither? Please identify the regulatory or economic framework under which customer reluctance is a valid basis for setting or adjusting a credit.

(b) Is it your position that a cost-based credit should be increased whenever a customer expresses reluctance to accept it? If not, please explain what distinguishes PHP's circumstances such that its reluctance is analytically relevant here.

(c) If the interruptible credit were increased to a level PHP found acceptable through a negotiation but other disputed components remained unchanged, do you have any basis to conclude PHP would take service on the ELID tariff i.e. revision of the interruptible credit itself would "induce" PHP? Please explain.

(d) If the Board determines that a given rate is just and reasonable for the service being offered, but PHP is not satisfied and would like a lower rate, is this a reason to vary from the just and reasonable rate? Please explain.