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: InterGroup Consultants Ltd. ("CA")

From: The Industrial Group

Responses Due: June 18, 2026

Contact Person
Nancy G. Rubin, K.C.
Brianne Rudderham
Stewart McKelvey
Suite 600-1741 Lower Water Street
P.O. Box 997
Halifax NS B3J 2X2
Telephone: (902) 420-3200 / Fax (902) 420-1417

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

Request IR-1:

Reference: **N-19, Evidence of InterGroup, p. 5/pdf p. 7.**

Preamble: **In s. 4.1, Inclusion of Interruptible Load in 3CP Calculation InterGroup stated:**

> ***In InterGroup's experience this is a common problem with "interruptible" loads that reflect a considerable portion of a customer's ordinary electricity needs. While there are alternative cost allocation methods that could help address this, in the context of the SA, the load parameters modelled by NSP in the application are reasonable and should be approved.***

(a) Please identify the "alternative cost allocation methods" contemplated here.

(b) For each such alternative method, please describe: (i) how it would operate in the context of the ELID Tariff; and (ii) whether it would produce a demand cost allocation to PHP that is higher or lower than the 65 MW approach adopted by NSPI.

(c) Does InterGroup agree that a cost allocation approach based on PHP's expected CBL operating load (approximately 120 MW) would be among those alternative methods? If not, please explain why.

(d) Does InterGroup consider any of those alternative methods to be more consistent with the principle that an ATL customer should pay its proper allocation of embedded system costs? Please explain.

(e) InterGroup states that its endorsement of the NSPI parameters is made "in the context of the SA." Does InterGroup consider itself bound by the SA load parameters?

Request IR-2:

Reference: **N-19, Evidence of InterGroup, p. 10/pdf p. 12.**

Preamble: **In s. 5.0, Proposed ELID Dispatchable Rider, InterGroup stated:**

Note however that the ELIADC Tariff includes a Variable Capital Charge (VCC) that PHP pays “for NS Power's incremental generation and delivery of electricity to PHP in the amount of $3.34/MWh”, and as such does appear to contribute to the recovery of the fixed transmission and generation costs under the ELIADC Tariff.

The VCC component is not included in the proposed ELID Tariff structure and does not appear to be considered in the DR credit transfer ratio of 100% to PHP. Note that even at a reduced PHP net energy consumption of 304,000 MWh forecast in 2027, the VCC payment by PHP would exceed $1.0 million annually, or approximately 20%-30% of the actual benefit that NSP estimates can be realized by PHP via DR credit.

(a) Please confirm that InterGroup’s view is that NSPI's justification for increasing the DR credit sharing ratio from 25% to PHP (under the ELIADC) to 100% to PHP (under the proposed ELID), is that PHP, as an ATL customer, now contributes to the recovery of fixed system costs? If not, what is InterGroup’s understanding?

(b) Is it InterGroup’s position that the noted justification is incomplete, given that PHP was already contributing to some fixed cost recovery via the VCC under the ELIADC? If not, please explain.

(c) Does InterGroup support some form of benefit sharing like under the current ELIADC rather than a 100% allocation of all calculated DR savings to PHP? Please explain.

Request IR-3:

Reference: N-19, Evidence of InterGroup, p. 10/pdf p. 12.

In InterGroup's view, the proposed ELID Tariff includes many moving parts, including changes as compared to the ELIADC Tariff, with complex interactions between different components. Given this, the proposed change in the DR credit ratio to PHP is very big and its reasonableness should be further tested.

And, in its Recommendations at p. 2/pdf p. 4:

Recommendation 2: InterGroup recommends that the Board consider the reasonableness of the DR savings proposed to be credited to PHP.

(a) Please identify the specific factors or criteria that InterGroup would apply in assessing whether the quantum of DR savings proposed to be credited to PHP is reasonable.

(b) Does InterGroup agree that the experience under the ELIADC, where the ADC mechanism was found by Bates White to have "not performed as expected" and may have imposed costs on other customers, is a relevant consideration in assessing the reasonableness of the proposed DR credit design?

(c) In InterGroup's view, would a benefit-sharing arrangement (e.g., retaining a portion of calculated DR savings for other ATL customers) provide a more reasonable framework for managing the risk of CBL over-estimation rather than a 100% allocation to PHP? If not, please explain what alternative safeguard would be adequate.

(d) In calculating the VCC as representing approximately 20–30% of the expected DR credit PHP may realize each year, could this percentage be used as a proxy for credit sharing? Please explain why or why not.

Request IR-4:

Reference: N-19, Evidence of InterGroup, p. 12/pdf p. 14.

Preamble: In s. 6.0, Proposed ELID Interruptible Rider, InterGroup stated:

NSP confirmed that PHP can 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. Note that this credit relates to the same portion of the load — i.e., the credits are not stacked where NSP identifies a portion of the load receiving a DR credit and a separate incremental load receiving an Interruptible Rider credit. In InterGroup's view there is a risk that pairing the proposed Dispatchable Rider with the proposed Interruptible Credit credits PHP twice for effectively the same provision. This could reflect a benefit to PHP beyond 100% of the system benefits, at the expense of other ATL customers.

(a) Does InterGroup consider that the risk that PHP could be simultaneously credited under both the DR and the IR for the same dispatch-down of load, represents a fundamental design problem, rather than merely an operational risk to be managed? If not, please explain.

(b) Please describe what mechanism InterGroup believes would adequately prevent the double-counting.

(c) In InterGroup's view, does the double-counting risk support Mr. Bowman's Recommendation 4 that there should be little to no IR credit value in the ELID tariff? If not, please explain what level of IR credit InterGroup considers appropriate in light of this risk.

Request IR-5:

Reference: N-19, Evidence of InterGroup, p. 13/pdf p. 15.

NSP further confirmed that LIIR customers who are not held as Operating Reserve could be physically interrupted ahead of PHP despite PHP's priority status….

NSP states that it remains to be determined whether Priority Interruptible service provides value to the system and if so, to which customers and how the associated costs should be recovered. As such, NSP proposes to examine the value of PHP's PI service in the next General Rate Application (GRA).

(a) Given that LIIR customers who are not on Telemetry and Control ("T&C")

can be, and in practice are physically interrupted ahead of PHP in the dispatch stacking sequence, does InterGroup agree that PHP's designation as a "priority" interruptible customer does not, in practice, result in PHP being the first load interrupted? If not, please explain.

(b) Does InterGroup agree that, given PHP is almost invariably already dispatched down under the DR during any period of system constraint (and thus has no load available to interrupt), the Priority Interruptible designation provides no additional practical benefit to the system?

(c) If both (a) and (b) are agreed, what justification does InterGroup consider there to be for the 10% Priority Interruptible credit in the 2026 and 2027 test years? Please explain.

Request IR-6:

Reference: N-19, Evidence of InterGroup, p. 13/pdf p. 15.

Recommendation: Based on these considerations, the Board should approve the Interruptible Service component to the ELID Tariff only for the 2026 and 2027 test years with a review to be completed prior to 2028.

(a) In the absence of any quantified value for priority interruptibility service, rather than approving a 10% premium for a service whose value "remains to be determined," in InterGroup’s view would it be reasonable for the Board to withhold or defer any such credit pending a future review and evidence of value?

(b) Please describe the specific factual matters or analytical issues that InterGroup considers should be addressed in the review it recommends be completed prior to 2028.

(c) Does InterGroup agree that if the review confirms that PHP is essentially never interruptible in practice, having already been optimally dispatched, then the appropriate outcome would be elimination rather than revision of the IR credit? If not, please explain.

(d) In recommending a review, does InterGroup recommend imposing reporting obligations on NSPI during 2026 and 2027 to validate the IR credit? If so, please explain and specify the recommended reporting requirements.

(e) Does InterGroup consider the current IR credit value proposed by NSPI ($7.638/kVA in 2026, plus 10% PI) to be appropriately calibrated for the test years, having regard to the near-zero probability that PHP load will actually be available to provide interruptible service? If not, what credit level does InterGroup consider appropriate for the interim period?

Request IR-7:

Reference: N-19, Evidence of InterGroup, p. 2/pdf p. 4.

Preamble: In s. 2.0, InterGroup summarizes its recommendations, including the following:

Recommendation 3: Considering that Operating Procedures directly affect the DR credit calculation, InterGroup recommends that this document must be subject to Board approval. This will ensure the document is transparent and not revised between NSP and PHP to the disadvantage of other ATL customers.

Recommendation 5: Considering the complexity of the proposed ELID Tariff, InterGroup recommends that the Board undertake a review of the ELID Tariff approved in this Matter after the first year of implementation.

(a) Does InterGroup recommend that the Operating Procedures be approved as a pre-condition to approval of the ELID? If not, how or when does InterGroup contemplate these be approved?

(b) Please describe the scope of the recommended first-year review.

(c) Is the review to be done based on a calendar year, or within a year of PHP taking service under the new tariff?

(d) Does InterGroup agree that NSPI should be required to provide quarterly reporting on DR credit calculations and accrued values (including estimates of the annual DR credit payable), rather than annual reporting only, so that meaningful monitoring can occur during — not just after — the first year? If so, does InterGroup support Mr. Bowman's Recommendation 6 in this respect? If not, please explain.