

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: THE PUBLIC UTILITIES ACT

and

**IN THE MATTER OF: An Application by Nova Scotia Power Inc. (“NS
Power”) for approval of an Extra Large Industrial
Dispatchable Above-the-Line Tariff applicable to Port
Hawkesbury Paper**

NON-CONFIDENTIAL INFORMATION REQUESTS

To: Synapse

From: Port Hawkesbury Paper LP

Responses Due: June 18, 2026

Contact Person: James MacDuff
 McInnes Cooper
 P.O. Box 730
 Purdy's Wharf Tower II
 1300 – 1969 Upper Water Street
 Halifax, NS B3J 2V1
 Phone: 902-444-8619
 Email: james.macduff@mcinnescooper.com

1
2
3 **IR-1**

4
5 **Reference: Testimony, page 12, line 20 to page 13, line 2: “Given that transmission**
6 **costs are driven by both interruptible and firm load, it would not be appropriate to**
7 **assign PHP a demand charge based solely on its 8 MW firm load. Doing so would**
8 **allow a substantial portion of PHP’s load to avoid responsibility for transmission**
9 **costs, shifting those costs to other customers.”**

- 10
11 (a) Please provide all analyses demonstrating that PHP’s interruptible load above its
12 8 MW firm base demand has directly driven, or is forecasted to drive, incremental
13 transmission investment or physical transmission capacity expansion in Nova
14 Scotia.
15
16
17

1 **IR-2**

2
3 **Reference: Testimony, page 13, lines 10-19. “First, compensating PHP at the full**
4 **marginal cost of generation capacity would overstate the value of its interruptible**
5 **load from the perspective of other customers. While PHP’s interruptible load may**
6 **allow NS Power to avoid procuring new capacity, the relevant benefit to other**
7 **customers is the avoided capacity cost net of the contribution PHP would**
8 **otherwise make to capacity cost recovery as a firm customer. If PHP were**
9 **compensated at the full marginal cost without accounting for this avoided**
10 **contribution, it would receive credit for costs that it would otherwise help pay,**
11 **resulting in an over-allocation of benefits to PHP and a corresponding shift of cost**
12 **responsibility to other customers. Accordingly, compensation to PHP should be**
13 **capped at the avoided capacity cost net of its expected revenue contribution under**
14 **firm service.”**
15
16

17 (a) Explain why the “expected revenue contribution” is the appropriate value to net
18 from the avoided capacity cost?
19

20 (b) Is Ms. Whited proposing that the “expected revenue contribution” be limited to the
21 portions of PHP’s COS for generation? Please explain.
22

23 (c) Provide an example of how this calculation would be made.
24

25 (d) Under Ms. Whited’s proposal, would the expected revenue contribution be based
26 on the percentage of PHP’s contribution to NSP’s planning reserve margin in
27 relation to the total system planning reserve margin? Please explain.
28

29 (e) Considering that NSP’s Application at page 8, lines 13-16 states that “had the
30 credit been developed in accordance with the Company’s [NSP] established
31 practice for pricing of the interruptible credit (\$13.107 per kVA demand coincident
32 with system peak), does Ms. Whited believe that NSP’s established practice for
33 pricing of the interruptible credit for large industrial interruptible customers should
34 likewise be adjusted? If not, please explain.
35

1 **IR-3**

2
3 **Reference: Testimony, pages 13-14, lines 20-6. "Second, setting the interruptible**
4 **credit equal to the full marginal cost would allocate all of the benefits of avoided**
5 **capacity to PHP, leaving other customers no better off than if an equivalent amount**
6 **of generation capacity had been procured. While PHP should receive a substantial**
7 **portion of the value it provides, it is reasonable for other customers to share in**
8 **those benefits, particularly where they continue to bear responsibility for**
9 **recovering embedded system costs. In my view, the credit should be set at a level**
10 **that is sufficient to induce participation by PHP, while ensuring that a portion of**
11 **the avoided costs is retained for the benefit of other ATL customers."**
12

13 (a) Does Ms. Whited agree that NSP utilized the avoided cost of a peaker to determine
14 the avoided cost of capacity under the Interruptible credit? Please explain.
15

16 (b) Does Ms. Whited agree that if NSP's marginal cost of capacity was based on the
17 installed cost of a new generating unit, it would likely be greater than the
18 conservative estimate of a new gas peaker (last set in 2021) used in the calculation
19 of the Interruptible Rider? If not, please explain.
20

21 (c) Does Ms. Whited agree that under NSP's current interruptible rider proposal, the
22 assumed price of a peaker unit is likely understated, and as a result, other
23 customer classes are sharing in the benefits of PHP's interruptibility by not having
24 to invest in the full marginal cost of new generation. If not, please explain.
25
26
27
28
29