Nova Scotia
POWER
An Emera Company

PO Box 910 | Halifax, Nova Scotia | Canada | B3J 2W5

July 17, 2026

Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax, NS B3J 3S3

Re: M12661 Extra Large Industrial Dispatchable (ELID) Tariff Application – Reply to Requests for an Oral Hearing

On July 16, 2026, Nova Scotia Power Inc. (NS Power, Company) received correspondence from the Industrial Group (IG) requesting the Nova Scotia Energy Board (NSEB, Board) convert this proceeding to an oral hearing. The Company also received correspondence from the Consumer Advocate (CA) and the Small Business Advocate (SBA) supporting the IG's request. In its letter, the IG identifies four reasons which it submits justifies its request (addressed below).

Following receipt of these requests, the Board provided an opportunity for Port Hawkesbury Paper (PHP) and NS Power to respond by Monday, July 20, 2026. By email dated Friday, July 17, PHP indicated it has no objection to the oral hearing requests and requested that "any such hearing be scheduled in a timely manner so that an ultimate decision can be made and considered well in advance of 2027."

The Company respectfully submits that an oral hearing is neither necessary nor warranted in this proceeding.

As the Board and parties are aware, this matter has already been subject to an extensive and rigorous review process. The Application was filed on December 29, 2025. Since that time, this proceeding has included evidence from Port Hawkesbury Paper (PHP), a round of information requests (IRs) to NS Power and PHP, a technical conference (as requested by the IG) to review additional questions from parties, evidence from intervenor and Board Counsel consultants, a round of IRs on intervenor and Board Counsel consultants' evidence, and reply evidence from both NS Power and PHP. The process established by the Board has now been underway for nearly seven months.

Importantly, this process is in addition to the extensive examination undertaken during the 2026-2027 General Rate Application (GRA). The Above-the-Line (ATL) tariff framework examined through the Cost of Service (COS) process preceding the GRA and the GRA

Settlement Agreement (SA), which form the foundation of the ELID Tariff, were themselves the product of several months of consultation, technical conferences, information exchange, and discussion among NS Power, PHP, CA, SBA, IG, and the Municipal Electric Utilities. The resulting settlement reflected agreement of parties on the key parameters underlying the proposed ATL tariff.

The rationale outlined in the IG's request largely revisits issues that were extensively detailed and explored during the GRA process and throughout this proceeding.

First, the IG points to the existence of multiple expert opinions and the absence of a consensus proposal. However, differing expert opinions are not unusual in Board proceedings and, standing alone, are not a reasonable basis for requiring an oral hearing. In this case, the consultants have largely focused on a small number of recurring issues, namely the demand determinant, the Interruptible Rider (IR) credit, the Dispatchable Rider (DR) design, and priority interruptible (PI) compensation. These issues were all raised initially in the Company's application and explained fully. Throughout the submissions on the record in this proceeding, parties have had full opportunity to test assumptions, methodologies, and conclusions. The existence of differing views or recommendations on those issues does not demonstrate that oral examination is required to understand or resolve those differences. With respect to the IG's comment that "[t]he GRA Settlement Agreement was understood by parties to contemplate a collaboratively developed ELID tariff to be filed and in place by January 1, 2027,"[1] the Company agrees, which is precisely why its application adopts the ELID Tariff parameters prescribed in the Settlement Agreement.

Second, the IG suggests there are significant factual disputes that cannot be resolved on the written record. Respectfully, the issues identified by the IG are not matters of witness credibility. Rather, they are principally differences in expert judgment relating to rate design, cost allocation, and the interpretation of the SA. While parties have expressed differing views, which have already been extensively addressed on the written record, these "disputes" do not raise witness credibility concerns requiring oral examination. The record reflects differing views regarding what the Board should approve, not disputes regarding the underlying facts themselves.

Third, the IG characterizes the proposed tariff as uniquely complex and novel. While the proposed tariff contains several components, the underlying tariff design parameters were established through the GRA process and reflected in the SA.

As the Company explained in its Reply Evidence, the ATL components of the proposed ELID Tariff are well-established embedded cost-based tariff elements, while the load-shifting component builds on the Extra Large Industrial Active Demand Control (ELIADC) Tariff

[1] IG Letter, page 1.

Active Demand Control framework that has existed in Nova Scotia for several years. The principal evolution is the transition from a below-the-line framework to an embedded cost-based above-the-line framework. Whether, in a party's view, a tariff is considered "complex" does not make an oral hearing necessary, particularly where the issues have been fully explored through this, and the GRA, processes.

Importantly, despite the differing views expressed by PHP, the IG's Consultant (Bowman), Bates White, and Synapse regarding what alternative tariff parameters might be appropriate, no party has filed evidence demonstrating that the Company's Application incorrectly implemented the demand, energy, IR, or revenue-to-cost parameters reflected in the Settlement Agreement. The disagreement is therefore not whether the Company appropriately incorporated the agreed-upon parameters, but rather with the extent to which certain parties believe the SA permits revisiting those parameters in this proceeding.

In practical terms, the matters with which there is substantive disagreement are limited. They principally concern:

- the appropriate demand level to be reflected in the COS applicable to PHP;
- the Interruptible Rider credit level applicable to PHP's interruptible load; and
- the treatment and compensation associated with Dispatchable Rider and Priority Interruptible services.

These are discrete rate design matters for which a thorough examination has already been completed through this regulatory proceeding on the written record, and which do not require oral examination to be understood or adjudicated.

Finally, the IG also points to discussion in the Company's Reply Evidence regarding a methodology developed to quantify load shifting separate from changes in prices. However, that discussion does not modify the tariff proposal before the Board and does not create a new issue requiring oral examination. The tariff proposal, supporting evidence, and associated record remain fully before the Board. It is the nature of the numerous interrelated regulatory proceedings involving NS Power activities and the extensive stakeholder collaboration involved with many that there will, on occasion, be information put forward in one venue that relates to another proceeding. If each time this happened was cause for adding another round of examination to a regulatory proceeding, our regulatory processes would quickly become unmanageable.

While the Company recognizes the original Hearing Order provided that this proceeding may be converted to an oral proceeding, it is nevertheless important that this decision not be taken lightly. Oral proceedings are expensive and time-consuming. It requires preparation on the part of all parties providing evidence who may be subject to cross-examination. It adds post-hearing processes to the timetable, significantly increasing the length of the proceeding. It is this outcome that NS Power has sought to avoid by providing a complete and clear application in this matter and comprehensive IR responses and Reply Evidence.

Consistent with this, the Company also notes that the current Tariff applicable to PHP expires on December 31, 2026. Converting this matter to an oral hearing would introduce material timing risk to the establishment of a successor tariff effective by January 1, 2027. Given the extensive record already developed, the limited number of outstanding issues, and the substantial prior process undertaken both in this proceeding and in the GRA, such delay would not be justified.

Accordingly, NS Power respectfully submits that the Board should continue with the paper hearing process established in its Hearing Order.

Should the Board determine that the issues raised by the IG require additional engagement, the Company respectfully submits that a mandatory settlement process be established before any hearing dates are fixed.

Given the extensive history of successful collaboration among the parties, including the process that resulted in the GRA Settlement Agreement, there is a reasonable prospect that the remaining issues could be narrowed substantially or resolved through a structured settlement process, thereby reducing any hearing scope and associated scheduling impacts. Depending on the outcome of this process, the Board could then consider whether an oral hearing is required.

Questions or comments should be directed to my attention.

Yours truly,

Mike Willett

Michael Willett
Senior Director, Regulatory