

July 20, 2026

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Michael Willett
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Nova Scotia Power Inc.
PO Box 910
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Dear Mr. Willett:

M12661 – Nova Scotia Power Inc. – Application for approval of an Above-the-Line Tariff applicable to Port Hawkesbury Paper

This matter was set down as a “paper hearing”, but the hearing order set a deadline for parties to request an oral hearing and the Board reserved the right to convert the proceeding to an oral hearing if circumstances warranted. The Industrial Group has made such a request, and it is supported by the Consumer Advocate and the Small Business Advocate.

Port Hawkesbury Paper had no specific objection to the request but asked that any such hearing be scheduled in a timely manner so that the ultimate decision can be made and considered well in advance of 2027, when the proposed tariff would be implemented and the existing tariff under which Port Hawkesbury Paper takes service is set to expire. However, NS Power opposed the request for an oral hearing, indicating that it was neither necessary nor warranted.

The Board panel considering this matter is Stephen T. McGrath, K.C., Chair; Roland A. Deveau, K.C., Vice Chair; and Richard J. Melanson, LL.B., Member.

In its submissions, the Industrial Group noted that NS Power and Port Hawkesbury Paper are not fully aligned on material elements of the proposed tariff. The Industrial Group further noted that consultants retained by intervenors and Board counsel also disagree with elements of the proposed tariff and Port Hawkesbury Paper’s position. The Industrial Group submitted that some of these disputed issues rest on contested factual representations and assumptions that require cross-examination. The Industrial Group also submitted that the proposed tariff is complicated and unusual, and the record before the Board did not currently provide it with adequate tools needed to resolve the outstanding issues with confidence or clarity.

NS Power submitted there is already an extensive record before the Board and there has been a rigorous review process since the application was filed. It also argued that the above-the-line framework for the proposed tariff in this matter was considered in its recent general rate application (Matter M12451) and the cost-of-service process that preceded that application. NS Power submitted the key parameters underlining the proposed tariff in this

matter were accepted in the settlement agreement relating to that general rate application signed by Port Hawkesbury Paper, the Consumer Advocate, the Small Business Advocate and the Industrial Group (along with other parties).

NS Power further submitted that the existence of differing expert opinions in this matter is not unusual in Board proceedings and characterized the issues in dispute as a small number of matters that were all raised in its application and “explained fully”. It argued that the existence of different views did not demonstrate that oral examination was required to understand or resolve them. It also argued that these differences in positions did not give rise to credibility concerns requiring oral examination. It said they were positions on what the Board should approve rather than disputes about the underlying facts.

NS Power also disagreed that the proposed tariff was uniquely complex and novel. It said the underlying design parameters for the proposed tariff were established through the general rate application process and settlement agreement. NS Power submitted that the proposed tariff’s above-the-line components were based on well-established embedded cost-based elements and its load-shifting component was built on the current tariff framework for Port Hawkesbury Paper that has existed in Nova Scotia for several years.

Alternatively, NS Power submitted that if the Board determined that the issues raised by the Industrial Group required additional engagement, the Board should direct a mandatory settlement process before setting any hearing dates.

The Board finds that it is appropriate to proceed to an oral hearing in this matter.

Matters relating to the current application were not fully resolved in NS Power’s last general rate application and there are a number of conflicting points in the present application the Board must decide.

While it is common to have expert witnesses disagree on fundamental points and issues in proceedings before the Board, the Board must ultimately be confident that the record before it provides a reasonable basis for it to adequately consider and weigh the competing evidence and opinions in rendering a decision. Consultants retained by intervenors and Board counsel filed evidence in this proceeding citing several concerns about the proposed tariff. In reply evidence, Port Hawkesbury Paper and NS Power provided detailed responses to these concerns. However, the Board is not satisfied that it is appropriate to proceed only with oral argument at this stage. The Board finds that further testing of the assumptions and opinions of these consultants would be helpful in making a final decision. The Board recognizes that this is a matter of significant import for all parties involved, including the intervenors who requested an oral hearing. The Board agrees with how the matter was characterized by the Industrial Group in its submissions:

PHP accounts for up to 25% of total system load in Nova Scotia. The Board has before it a genuinely novel tariff for the largest single customer on the NSPI system, in a proceeding where NSPI and PHP have not reached agreement, and where the Board’s own consultants have raised concerns that have not been resolved. Given the real potential financial consequences for all ratepayers, the Industrial Group submits that the matter should be converted to an oral proceeding. [Footnote omitted]

[Industrial Group Submission, July 16, 2026, p. 4]

Given the number of consultants involved, the Board anticipates that an oral hearing will likely require three or four days. Due to scheduling conflicts and other hearings already scheduled, the Board cannot accommodate a hearing of that length on consecutive days



before mid-October. In the interest of time, the Board has determined that this matter will not proceed on consecutive days, and has reserved the following dates for the hearing:

September 21, 22, 28 and 29, 2026.

The hearing will begin at 9:00 a.m. on September 21, 2026.

Given the change to an oral hearing, the filing of written submissions contemplated in the Board's hearing order for this matter are no longer required. Instead, the parties may file opening statements no later than **September 14, 2026, at 2:00 p.m.**

Parties who have witnesses who intend to appear virtually are directed to advise the Board no later than **Tuesday, August 4, 2026.**

The Board recognizes that converting this proceeding to an oral hearing as outlined above will challenge the timeline and create a risk that a decision will not be available before January 1, 2027. However, that remains the goal and the parties should anticipate very short timelines for the filing of undertakings, post-hearing written submissions or oral closing arguments.

Finally, given the limited time available and the desire to conclude this matter before the end of the year, the Board has not accepted NS Power's proposal to direct a mandatory settlement process before fixing hearing dates. As the hearing could not be accommodated until two months from now, there is time for NS Power to attempt to resolve matters with the parties by consensus if it believes that is a reasonable avenue to pursue between now and the scheduled hearing.

Yours very truly,



Crystal Henwood
Clerk of the Board

c. William L. Mahody, K.C., Board Counsel
M12661 Participants

