

BEFORE THE NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: *The Public Utilities Act, as amended.*

and

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.

**CLOSING SUBMISSIONS OF
THE SMALL BUSINESS ADVOCATE**

Port Hawkesbury Paper (PHP) is currently served by Nova Scotia Power Incorporated (NS Power) as a below-the-line customer under the Extra Large Industrial Active Demand Control Tariff (ELIADC) and is the only customer under this tariff. The ELIADC will end on December 31, 2026.

On December 29, 2025, Nova Scotia Power Incorporated (NS Power) filed an Application for Approval of an Above-the-Line Tariff Applicable to Port Hawkesbury Paper¹ (the “ELID Application”) which, if approved, would permit PHP to take service as an above-the-line (ATL) customer under the Extra Large Industrial Dispatchable Tariff (ELID).

PHP filed its evidence, provided by Bevan Lock, Co-Mill Manager at PHP and John Esaiw, Energy Director at PHP (the “PHP Evidence”) and the evidence of its consultants Brubaker & Associates Inc (BAI) on February 20, 2026.²

¹ M12661, Exhibit N-1, Nova Scotia Power Application for Approval of an Above-the-Line Tariff Applicable to Port Hawkesbury Paper, (the ELID Application), December 29, 2025.

² M12661, Exhibit N-3, Direct Evidence of Port Hawkesbury Paper LP (PHP) given by Bevan Lock, Co-Mill Manager at PHP and John Esaiw, Energy Director at PHP, Port Hawkesbury Paper LP, (February 20, 2026); Exhibit N-2, Evidence of Colin T. Fitzhenry & Michael P. Gorman, Brubaker & Associates Inc. (BAI) on behalf of PHP (February 20, 2026).

1 The Small Business Advocate (SBA) and other Intervenors and their consultants made Information
2 Requests of NS Power and PHP, which were responded to on April 10, 2026.³ An ELID Tariff
3 Technical Conference was held on April 29, 2026 for Intervenors and their consultants.⁴ On May
4 8, 2026, Evidence was filed by the Intergroup Consultants on behalf of the Consumer Advocate
5 (CA)⁵; Bowman Economic Consulting on behalf of the Industrial Group⁶; Bates White Economic
6 Consulting on behalf of the Nova Scotia Energy Board (NSEB)⁷ and Synapse Energy Economics
7 Inc, on behalf of NSEB Counsel⁸.

8 Responses to Information Requests (IR) to Intervenor and Board Consultants were received on
9 June 18, 2026, and June 22, 2026. Reply Evidence by NS Power, PHP and BAI was filed on July
10 8, 2026.⁹ The NSEB held an oral hearing of the ELID Application in Halifax on Monday
11 September 21, 2026; Tuesday September 22, 2026; Monday September 28, 2026; and Tuesday 29,
12 2026.¹⁰

13 The SBA appreciates the opportunity to provide the following closing submissions with respect to
14 the ELID Application.

15 **The ELID Tariff**

16 The key components of the ELID Tariff include the: Customer Charge, Demand Charge, Energy
17 Charge, Interruptible Service; Dispatchable Rider; Other Applicable Riders; Billing Provisions;

³ M12661, See Responses to Information Requests: Exhibits N-4;N-4(C);N-4(C)(i);N-5; N-5(C);N-5(i);N-6;N-6(C);N-6(C)(i);N-6(C)(ii);N-7;N-8;N-9;N-9(C);N-10;N-10(C);N-10(C)(i);N-10(ii);N-11;N-12;N-13;N-13(C)(i);N-14;N-15;N-16;N-16(C)(i);N-17 and N-17(i).

⁴ M12661, Exhibit N-18, Materials from ELID Tariff Technical Conference.

⁵ M12661, Exhibit N-19, Evidence of Hayitboy Mahmudov and Andrew McLaren, InterGroup Consultants Ltd. (InterGroup) on behalf of CA.

⁶ M12661, Exhibit N-25, Evidence of Patrick Bowman, Bowman Economic Consulting Inc, (Bowman) on behalf of IG.

⁷ M12661, Exhibit N-20 and N-20(C), Evidence of Vincent Musco and Collin Cain, Bates White Economic Consulting (Bates White) on behalf of the NSEB. See also Exhibit N-52 Vincent Musco's CV and Exhibit N-53 Collin Cain's CV

⁸ M12661, Exhibit N-21, and N-21(i), Evidence of Melissa Whited, Synapse Energy Economics, Inc (Synapse) on behalf of NSEB Counsel.

⁹ M12661, Exhibit N-38, Reply Evidence of NS Power; Exhibit N-37, Reply Evidence of PHP; and Exhibit N-36, Reply Evidence of BAI on behalf of PHP.

¹⁰ M12661, See Exhibits N-39 through N-45 for the opening statements of NS Power, PHP, Intervenors and consultants. See also Exhibits N-54; N-54(C);N-55; N-55(C);N-55(i);N-55(C)(ii); N-56 for the responses by NS Power and PHP to the Undertakings.

1 Tariff term; Treatment of Energy Production from the Goose Harbour Lake Wind Farm (PHP
2 Wind Ltd. PHPW) and the PHP Deferral.¹¹

3 The SBA has considered the ELID Application and the key elements of the ELID Tariff as well as
4 the written and oral evidence submitted by NS Power, PHP and the Intervenor's and Board's
5 consultants on the elements of the ELID Tariff and related issues. While the SBA finds the ELID
6 Application generally reasonable, it provides the following comments for the Board's
7 consideration in its determination of whether to approve the ELID Tariff (as filed or with
8 amendments).

9 **Customer Charge**

10 NS Power describes the Customer Charge as "designed to recover the costs associated with the
11 provision of dispatch service to PHP and to administer the Tariff."¹² The proposed Customer
12 Charge is \$10,000 monthly for both 2026 and 2027.¹³

13 The SBA respectfully submits that the Customer Charge is a reasonable key element of the
14 proposed ELID Tariff having considered the ELID Application, as well as the written and oral
15 evidence submitted by NS Power, PHP, Intervenor consultants and Board consultants.

16 **Demand Charge**

17 NS Power proposes that the Demand Charge "be allocated to the ELID Tariff class based on PHP
18 assigned demand at the time of three coincident peaks (3CP)"¹⁴ which follows NS Power's Cost
19 of Service Study (COSS). While NS Power notes that the demand pricing for the tariff will be
20 updated in future GRAs,¹⁵ for 2026 and 2027 it based the Demand Charge on load characteristics
21 for PHP as firm load at 8MW (at the 3CP) and its firm, plus interruptible load, at a forecast of

¹¹ M12661, Exhibit N-1, the ELID Application, page 4 of 19, lines 3-15.

¹² M12661, Exhibit N-1, the ELID Application, page 4 of 19, lines 21-22.

¹³ M12661, Exhibit N-1, the ELID Application, page 5 of 19, lines 7-8.

¹⁴ M12661, Exhibit N-1, the ELID Application, page 5 of 19, lines 15-17.

¹⁵ M12661, Exhibit N-1, the ELID Application, page 5 of 19, lines 21-28 and 6 of 19, lines 1-2 and 21-22.

1 65MW at 3CP, which is consistent with what was set out in the 2026-2027 General Rate
2 Application Settlement Agreement (the “GRA Settlement Agreement”).¹⁶

3 The Board, in its 2026-2027 GRA decision (issued on March 25, 2026, (M12451)) considered
4 the GRA Settlement Agreement, as a whole, within the context of NS Power’s GRA application
5 and concluded, at para 13:

6 Following its review of the evidence, the submissions and the law, while the settlement
7 agreement does contain many terms that are appropriate and should be adopted, the
8 Board concludes that some amendments to the application are required to ensure just and
9 reasonable rates. The Board finds that the amendments to the application outlined in the
10 remainder of this decision are appropriate and are necessary in the public interest.¹⁷

11 The Board further concluded, at para 17, that “most components of the settlement agreement
12 appropriately resolve issues raised in the application”¹⁸ and approved “[t]he proposed cost-of-
13 service methodology and cost allocation among the various customer classes”¹⁹ which included
14 the treatment of PHP for COS purposes as articulated in the GRA Settlement Agreement.

15 The Board, as part of its general rate considerations, specifically considered the proposed
16 changes to the cost-of-services methodologies and NS Power’s proposed treatment of PHP as an
17 ATL:

18 In the cost-of-service studies for 2026 and 2027, PHP has been modeled as taking service
19 under an above-the-line rate with the following load characteristics:

- 20 • Firm Load of 8 MW at the three coincident peaks (3CP) in December, January
21 and February;
- 22 • Total load (firm plus interruptible) of 65 MW at the 3CP; and

¹⁶ M12661, Exhibit N-1, the ELID Application, Attachment 4, 2026-2027 General Rate Application Settlement Agreement, Pages 11-12 of 21.

¹⁷ M12451, NS Power 2026-2027 GRA Application, Board Decision, March 25, 2026, at page 13, para 13.

¹⁸ M12451, NS Power 2026-2027 GRA Application, Board Decision, March 25, 2026, at page 15, para 17.

¹⁹ M12451, NS Power 2026-2027 GRA Application, Board Decision, March 25, 2026, at page 15, para 17, fourth bullet.

- Energy set using PHP forecast net of projected supply from the PHP Goose Harbour Lake Wind Farm.²⁰

The Board accepted the “proposed cost-of-service changes and the cost-of-service studies presented in this proceeding”²¹ for the purpose of setting the 2026-2027 general rates.

NS Power was questioned about the use of the total load of 65MW at the 3CP for PHP in the development of the proposed ELID Tariff and Eric Ferguson, NS Power’s Senior Director, Pricing and Transformational Regulatory Initiatives (“Mr. Ferguson”), confirmed the historical base for it and noted,

It’s kind of in the middle of what Port Hawkesbury Paper and Mr. Bowman are recommending. It may be more representative of where they’ll land, but we’ll have a better sense of that once we’ve been operating under the regime. We think as a starting point, it’s a reasonable one.²²

The SBA respectfully submits that the Demand Charge that is being proposed, which is consistent with the elements for the PHP tariff as set out in the GRA Settlement Agreement, is reasonable given all the factors at play, including the difficulty in determining the specific number that should be used given the unique elements of the ELID Tariff. The SBA acknowledges the comment from Mr. Ferguson, as noted above, that a better quantification may be possible once PHP has been operating under the ELID for some time.

Energy Charge

The Energy Charge, which is applicable to any energy that PHP receives beyond the “Subject Energy Amount”²³, is set at 9.977 cents per kWh in 2026 and 11.240 cents per kWh in 2027²⁴. The

²⁰ M12451, NS Power 2026-2027 GRA Application, Board Decision, March 25, 2026, at page 245, para 579.

²¹ M12451, NS Power 2026-2027 GRA Application, Board Decision, March 25, 2026, at page 247, para 584.

²² M12661, the ELID Application, Transcript of Monday September 21, 2026, page 169, lines 1-6.

²³ M12661, the ELID Application, Page 7 of 19, Lines 6-8.

²⁴ M12661, Exhibit N-1, the ELID Application, page 7 of 19, lines 20-21.

1 SBA respectfully submits that these are reasonable and supports this aspect of the proposed ELID
2 Application.

3 The SBA notes that in both NS Power's ELID Application and in the PHP Evidence, NS Power
4 and PHP state that the energy charges were subject to change following the outcome of PHP's
5 court proceedings relating to PHP's responsibility for the payment of costs associated with the
6 Maritime Link Federal Loan Guarantee.²⁵ The SBA submits that no changes are anticipated as
7 Michael Willett, NS Power's Senior Director, Regulatory, confirmed, through cross examination
8 by the SBA, there would be no changes as those costs were included in the ELID Tariff²⁶ and
9 Bevan Lock, Co-Mill Manager at PHP ("Mr. Lock") when asked in cross examination by the SBA,
10 confirmed it would respect the court's decision.²⁷

11 **Interruptible Service**

12 NS Power proposes that PHP's interruptible service provisions be taken from the Large Industrial
13 (LI) Interruptible Rider (LIIR) terms with some specific items used from the former ELIADC
14 interruptible provisions but that the dollar value of the Interruptible credit for PHP be the same as
15 the LIIR plus an additional 10% to reflect PHP's priority interruptibility.²⁸ This would mean PHP
16 would receive a basic Interruptible credit of \$7.638 per kVA in 2026 and \$7.667 per kVA in 2027
17 plus an additional reduction per kVA in the demand charge of \$0.764 in 2026 and \$0.767 in 2027
18 for being the first interruptible customer to have their service interrupted²⁹.

19 The SBA respectfully submits that the provisions related to the Interruptible Service and the value
20 of the interruptible credit (as proposed in the ELID Tariff) are reasonable, with the exception that
21 the provision of a priority interruptible credit for PHP.

²⁵ M12661, Exhibit N-1, ELID Application, page 7 of 19, lines 25-27; Exhibit N-2, BAI Evidence on behalf of PHP, Page 27 of 28, lines 18-21.

²⁶ M12661, ELID Application, Transcript of September 21, 2026, at page 176, line 19 and page 177, line 1.

²⁷ M12661, ELID Application, Transcript of September 28, 2026, at page 49, lines 8-9.

²⁸ M12661, Exhibit N-1, ELID Application, page 8 of 19, lines 1-9.

²⁹ M12661, Exhibit N-1, ELID Application, page 9 of 19, lines 2-4.

1 The SBA respectfully submits that NS Power has not established that making PHP a priority
2 Interruptible customer over the other Interruptible customers is required to ensure sufficient
3 flexibility in the event of an increase in load or loss of supply on the system.

4 While PHP has suggested that its designation as NS Power's priority interruptible customer
5 provides benefits to other Large Industrial interruptible customers by ensuring that PHP is
6 interrupted first and therefore the LIIR customer's risk in terms of the number of interruptions
7 and/or the scope of the interruption they could face is reduced, (a position confirmed in its Opening
8 Statement³⁰) the SBA respectfully submits that it does not justify the additional 10% reduction
9 awarded to PHP for the following reasons.

10 First, the evidence showed that PHP has only been interrupted on one occasion since it began
11 taking service under the ELIADC in 2020³¹. This suggests that PHP has not been bearing the
12 burden of being interrupted for the benefit of other interruptible customers as a result of being the
13 priority interruptible on a frequent or even, it is submitted, on an infrequent basis.

14 Second, other interruptible customers receive a credit for being interruptible, regardless of whether
15 they are interrupted, so they are already being compensated for the potential of being interrupted
16 by being on a more favourable tariff rate. It is unclear how all ratepayers would benefit from
17 providing PHP an additional 10% reduction just to prevent other interruptible customers from
18 being interrupted and why the additional reduction would be reasonable based on that argument.

19 NS Power reached this same conclusion in its discussion paper titled *Port Hawkesbury Above-the-*
20 *Line Tariff Development: Priority Interruption*, dated October 2025 (the "PHP Priority
21 Interruption Report"), where it concluded:

- 22 • There may be benefit provided by higher rank-order customers protecting lower rank-
23 order customers from more frequent interruption; however, this benefit does not accrue
24 to all customers, rather only to those experiencing less interruptions.³²

³⁰ M12661, Exhibit N-41, Opening Statement of PHP, page 3.

³¹ M12661, ELID Application, Transcript of September 21, 2026, at page 250, line 1-6.

³² M12661, Exhibit N-6, NSPI (IG) IR 11(a), Attachment 1 Page 11 of 13.

1 It also states, in the PHP Priority Interruption Report, that:

- 2 • NS Power concludes that there is no system need or benefit for Priority Interruption –
3 all forms of 10-minute interruptible load provide the same level of load management
4 capability.

5 Mr. Ferguson confirmed, in cross examination by the SBA, that these were NS Power’s
6 preliminary conclusions and stated that further analysis was required to determine if the priority
7 interruption designation should be removed, suggesting that if the ELID Tariff is approved by the
8 Board, that work would be completed before the next GRA³³.

9 The SBA respectfully submits that it is not reasonable in the circumstances to include a 10%
10 reduction in the demand charge under the ELID Tariff, when PHP has not historically been
11 interrupted; the benefits of the priority interruption accrue to only one class of customers (other
12 interruptible customers); and the priority interruption is not required for load management. It is
13 respectfully submitted that while NS Power has stated that the 10% priority interruptible credit
14 should be included in the ELID Tariff until further analysis has been done, it is also reasonable for
15 the ELID Tariff not to include the priority interruptible credit at this point. Once the analysis has
16 been completed, the next GRA Application can include a recommendation to add it to the ELID
17 Tariff, if justified.

18 **Dispatchable Rider**

19 NS Power described the Dispatchable Rider (DR) as allowing “PHP to operate in a manner which
20 reduces PHP’s individual cost of service, enables NS Power to manage PHP’s load in response to
21 system conditions, reducing overall system costs, and compensates PHP for the value of its load
22 flexibility provides to the NS Power system.”³⁴ NS Power has also proposed that the value of the
23 “dispatch of PHP Load be credited fully to PHP.”³⁵

³³ M12661, Evidence of NS Power witness panel, Transcript of Monday September 21, 2026, page 148, lines 14-17.

³⁴ M12661, Exhibit N-1, the ELID Application, page 9 of 19, lines 13-16.

³⁵ M12661, Exhibit N-1, the ELID Application, page 10 of 19, line 7.

1 As noted by Patrick Bowman, Bowman Economic Consulting Inc. (“Mr. Bowman”), under the
2 ELIADC, there was a sharing of the savings achieved, with 75% being shared with other customers
3 and PHP receiving 25%³⁶. Mr. Bowman argues that NS Power’s position that PHP’s change from
4 a below-the-line to an ATL customer justifies the change from the benefit sharing to 100% to PHP
5 is not reflective of the other benefits that PHP obtains from being an ATL customer³⁷.

6 Further, Mr. Bowman notes, while discussing the underlying presumption within the dispatchable
7 credit that PHP would have, absent the dispatchable credit, a “near-perfectly optimized high load
8 factor profile³⁸” that:

9 For this reason, crediting PHP with the full incremental savings as compared to the
10 theoretical baseline of a CBL load risks excessively crediting PHP and harming other ATL
11 customers.³⁹

12 Mr. Bowman recommends the following to address this concern:

13 Either the CBL can be amended to make it more representative of the expected PHP load,
14 e.g., reflective of the seasonal market for paper. Or alternatively, the credit can be based
15 on the CBL, but to protect against overvaluing the DR, the calculated dollar value of
16 savings can be shared between PHP and other ATL customers. The latter appears to be a
17 better approach, as it accords with current experience under the ELIADC, and is simpler
18 to implement.

19 The SBA respectfully submits that the risk, as set out by Mr. Bowman, of PHP being
20 overcompensated, to the detriment of other ATL customers, is valid and the approach
21 recommended by Mr. Bowman, for there to be a sharing of the calculated value of the savings
22 achieved through the dispatchable rider, is reasonable and fair.

³⁶ M12661, Exhibit N-25, Evidence of Patrick Bowman, Bowman Economic Consulting Inc., Page 11, Lines 24-26.

³⁷ M12661, Exhibit N-25, Evidence of Patrick Bowman, Bowman Economic Consulting Inc., Page 11, Lines 26, and Page 12, Lines 1-4.

³⁸ M12661, Exhibit N-25, Evidence of Patrick Bowman, Bowman Economic Consulting Inc., Page 12, Lines 5-7.

³⁹ M12661, Exhibit N-25, Evidence of Patrick Bowman, Bowman Economic Consulting Inc., Page 12, Lines 11-13.

1 **Revenue-to-cost Ratio**

2 As part of its approach to developing an ATL tariff for PHP and determining the appropriate
3 costing, NS Power concluded that the revenue-to-cost (R/C) ratio for 2026 and 2027 under the
4 ELID tariff are 1.0438 for 2026 and 1.0471 for 2027⁴⁰. PHP disagrees with NS Power's
5 conclusions, arguing that a R/C ratio of 1.0 is more appropriate as it is a new ATL customer⁴¹.
6 PHP has submitted that it should start at an R/C ratio of 1.0 as it has never taken service as ATL
7 customer before and therefore has not benefitted previously from any adjustments to the ideal 1.0
8 R/C ratio⁴².

9 The SBA respectfully submits that NS Power's proposed R/C ratio for PHP is reasonable and
10 appropriate. Any new customer of NS Power is subject to the R/C ratios of the class or tariff they
11 are joining. While a new customer may not have benefited from a previous adjustment to the R/C
12 ratio for the tariff that they are taking power under, this fact does not alter the R/C ratios to which
13 they would be subject when they join the new class or take service under a new tariff. The SBA
14 respectfully submits that it is reasonable and equitable that PHP be treated like all new customers
15 and submits that PHP should pay the rate of the tariff it joins as a new customer, whether it be the
16 ELID Tariff or another tariff.

17 NS Power confirmed in its response to SBA IR- 8, that the ratio of 1.04373 aligns with other ATL
18 customers in the 2026/2027 GRA such as the "General, Large General, Small Industrial, Medium
19 Industrial, Large Industrial and Municipal class"⁴³. The SBA therefore further submits that
20 applying the R/C ratio to PHP as proposed in the ELID Application is reasonable and is aligned
21 with the treatment of other classes and other new customers.

22 **The GRA Settlement Agreement**

23 The SBA submits that the GRA Settlement Agreement shows the compromises that were made by
24 NS Power and all the signatories regarding the "outcomes that will result from the 2026-2027

⁴⁰ M12661, Exhibit N-38, Reply Evidence from NS Power, Page 16 of 25, Footnote 33.

⁴¹ M12661, Exhibit N-3, Evidence of Port Hawkesbury Paper, Page 8, Lines 23-24.

⁴² M12661, Exhibit N-2, Evidence of Colin T. Fitzhenry and Michael P. Gorman, Page 26, Lines 1-11.

⁴³ M12661, Exhibit N-7, NSPI (SBA) IR8 a, page 1 of 1.

1 GRA”⁴⁴ which included the specific treatment of PHP as an ATL customer. The GRA Settlement
2 Agreement formed the basis of NS Power’s 2026-2027 GRA Application which was considered
3 by this Board in matter M12451 and which is reflected in the 2026-2027 rates set by this Board in
4 its March 25, 2026, decision.

5 The SBA acknowledges that it appears that PHP disagrees with other parties to the GRA
6 Settlement Agreement over the purpose of the PHP provisions that are contained in the GRA
7 Settlement Agreement and that there is disagreement on the effect of the GRA Settlement
8 Agreement on this proceeding. However, the SBA respectfully submits that the main issue before
9 the Board in this matter is whether the proposed ELID tariff in the ELID Application is reasonable
10 and should be approved and the impact of the GRA Settlement Agreement, while an important
11 consideration, is not the key issue or determining factor.

12 **Submissions**

13 The SBA respectfully submits that many aspects of the ELID Application are reasonable and
14 consistent with the elements of the ELID Tariff as set out in the GRA Settlement Agreement, as
15 noted. The SBA has identified a number of issues with either the proposed ELID Tariff or the
16 revisions proposed by PHP with which it does not agree.

17 Specifically, the SBA respectfully submits that:

- 18 1. The R/C ratio as set out in NS Power’s proposed ELID Tariff is appropriate and reasonable.
- 19 2. The use of 65MW to calculate PHP’s firm load plus interruptible in the Demand charge
20 calculation is reasonable.
- 21 3. Setting the rate of the interruptible credit at \$7.638 per kVA for 2026 and \$7.667 per KVA
22 for 2027 is reasonable
- 23 4. Designating PHP as the priority interruptible customer and assigning them a Priority
24 Interruptible Credit of an additional 10% is not reasonable nor is it required for the
25 operation of the system.

⁴⁴ M12661, Exhibit N-1, ELID Application, 2026-2027 General Rate Application Settlement Agreement, Attachment 4, page 2 of 21, Provision 1.

1 5. The savings achieved through the dispatchable rider should be shared between PHP and
2 other ATL customers and not be allocated 100% to PHP.

3 The SBA appreciates the opportunity to provide these closing submissions.

4 Dated at Bedford, Nova Scotia, this 26th day of October 2026.

5
6 

7 Melissa P. MacAdam
8 Small Business Advocate