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1 **Request IR-1**

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3 **Re: commencement of delivery of the NS Block is projected to begin in Q2 2020, as stated**  
4 **in the application on page 5 of 21:**

5

6 (a) **Has NSPML conducted an independent assessment of the likelihood that the NS**  
7 **Block will commence delivery by Q2 2020? If so, please provide.**

8

9 (b) **Please explain and provide any estimates of any additional costs imposed on Nova**  
10 **Scotia ratepayers as a result of the delay of the NS Block.**

11

12 (c) **How would further delays in delivery of the NS Block beyond Q2 2020 affect**  
13 **ratepayer costs?**

14

15 Response IR-1:

16

17 (a) NSPML has been closely monitoring Nalcor's progress against original targets and  
18 monitoring for any risk of schedule slippage from dates that Nalcor has conveyed. NSPML  
19 management has maintained close communication with Nalcor senior executives through  
20 the regular engagement of the Joint Development Committee (JDC) and Joint Operations  
21 Committee (JOC), conducted site visits of the Nalcor assets throughout the life of Nalcor's  
22 projects, and most recently NSPML attended site tours in October 2018 and April 2019.  
23 NSPML has also remained apprised of progress towards the NS Block by reviewing  
24 publicly available documentation, media releases and public statements.

25

26 (b) Please refer to NSUARB IR-001 (d).

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1 (c) In its recent Base Cost of Fuel (BCF) filing, NS Power has assumed June 1, 2020, for the  
2 commencement of delivery of the NS Block. Any further delay in the NS Block beyond  
3 this date would result in additional replacement energy costs which would increase the  
4 projected deferral balance at the end of the 2020-2022 Rate Stability Period. NS Power  
5 has not modeled the impact of a further delay, however, based on previous modeling from  
6 2016, a delay would likely result in replacement energy costs of between [REDACTED]  
7 [REDACTED] per month.

1 **Request IR-2**

2  
3 **Re: Section 2.10 “Status of Benefits to NS Power Customers” and page 20 lines 14 to 21,**  
4 **which states: “Prior to delivery of the NS Block, NS Power, on behalf of customers, is using**  
5 **the Maritime Link to conduct economic energy exchanges and NSPML is operating the**  
6 **Maritime Link in conjunction with NS Power in a manner which secures for Nova Scotia**  
7 **electricity customers reliability and operational benefits. With both provinces connected**  
8 **electrically, customers are benefitting from improved resilience of Nova Scotia’s**  
9 **transmission system and enhanced energy options, and will continue to do so for decades to**  
10 **come as both operators gain interconnected experience with the integrated system**  
11 **capabilities and opportunities for mutual economic benefits.”**

12  
13 **(a) Are the customer benefits associated with the Maritime Link identified in the**  
14 **Quarterly Fuel Adjustment Mechanism Report (referenced in Section 2.10 of the**  
15 **application) gross benefits, net benefits, or both? If net benefits, please describe and**  
16 **provide the costs subtracted from the gross benefits in the net benefits calculation.**

17  
18 **(b) Are the “customer benefits” associated with the Maritime Link identified in the**  
19 **Quarterly Fuel Adjustment Mechanism Report at Appendix A gross benefits, net**  
20 **benefits, or both? If net benefits, please describe and provide the costs subtracted**  
21 **from the gross benefits in the net benefits calculation.**

22  
23 **(c) Please explain the calculation of each benefit listed in the Quarterly Fuel Adjustment**  
24 **Mechanism Reports, including those listed in Appendix A of those reports.**

1 Response IR-2:

2  
3 (a-c) Since 2018, NS Power has been filing such quarterly reports with the NSUARB, together  
4 with its Quarterly FAM Reports, describing and quantifying the financial and other benefits  
5 realized for customers from the Maritime Link prior to the start of the Nova Scotia Block.

6  
7 The customer benefits identified by NS Power in its Maritime Link Benefits Quarterly  
8 Tracking Reports are net benefits. Please refer to NS Power's reports for Q1-Q4 2018 and  
9 Q1 2019 which are on file with the UARB for the details with respect to the net benefits  
10 achieved during those periods.

11  
12 The methodology for calculating the benefits identified is as follows:

13  
14 **(i) Peak season energy sales:**

15  
16 Calculated as part of a bilateral agreement with Nalcor that provides equal value share for  
17 transactions that are used to offset the generation at Nalcor's Holyrood Generation Station.  
18 The basis of the agreement is to share the value derived from the sale of Nova Scotia based  
19 coal generation that is used to offset Nalcor Heavy Fuel Oil based generation.

20  
21 **(ii) Off-Peak energy sales from Newfoundland and Labrador:**

22  
23 Transactions that are not earmarked as Holyrood offset transactions. These can include  
24 purchases, sales, ponding or other transactions. The value within this value category is  
25 negotiated and not done under a structured agreement.



NSPML 2020 Interim Assessment Application (NSUARB M09277)  
NSPML Responses to BW Information Requests  
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█ [REDACTED]  
█ [REDACTED]