ORDER **2025 NSEB 16**
M12184

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF an application by **NOVA SCOTIA POWER INCORPORATED** for approval of a third term for the Extra Large Industrial Active Demand Control Tariff

BEFORE: Stephen T. McGrath, K.C., Chair
Roland A. Deveau, K.C., Vice Chair
Richard J. Melanson, LL.B., Member

ORDER

On March 31, 2025, Nova Scotia Power Incorporated (NS Power) applied to the Board to approve a third term for the Extra Large Industrial Active Demand Control (ELIADC) Tariff under which Port Hawkesbury Paper LP (PHP) will take electric service from NS Power, effective January 1, 2026, until December 31, 2026, inclusive.

The Board issued its Decision on September 22, 2025. NS Power filed its Compliance Filing on October 31, 2025, and a Revised Compliance Filing on December 5, 2025.

The Board is satisfied that the Revised Compliance Filing reflects the Board's Decision.

The Board orders that:

1. The ELIADC Tariff is approved as filed in the Revised Compliance Filing. It is extended, effective January 1, 2026, until December 31, 2026, inclusive. The ELIADC Tariff is attached as Schedule A to this Order.

2. NS Power is directed to continue filing its annual reports and to include more detailed quantification of actual load shifting benefits (and costs), an identification and discussion of the types of deviations that provide the most benefits and why, ways to improve the tariff or tariff administration, and a comparison of current year outcomes to prior years to help to evaluate ELIADC performance over time.

3. In keeping with NS Power's statement that its objective is to apply for a successor tariff in 2025, to be available to PHP in 2026, prior to the PHP Goose Harbour Lake Wind Farm being commissioned, NS Power is directed to file that application no later than December 31, 2025.

DATED at Halifax, Nova Scotia, this 8th day of December 2025.

Clerk of the Board

EXTRA LARGE INDUSTRIAL ACTIVE DEMAND CONTROL TARIFF

The Extra Large Industrial Active Demand Control Tariff (ELIADC) provides a mechanism whereby Port Hawkesbury Paper LP (PHP, the Mill, the Customer) pays the forecast incremental costs of its annual forecast service expressed as a levelized Customer Baseline Load (CBL) plus makes a contribution to utility costs, while providing Nova Scotia Power (NS Power) with control of PHP's load such that NS Power's overall system costs can be reduced and system reliability can be improved for the benefit of all NS Power customers.

AVAILABILITY

(a) This Tariff is applicable to operations at PHP's mill site at Point Tupper, and is premised upon PHP's electricity requirements being exclusively served by NS Power.

(b) In addition to the priority interruptible service load reduction requirements prescribed in this Tariff, PHP's load shall be further managed by NS Power in accordance with the Active Demand Control – Energy Supply Protocols attached as Schedule 1 to this Tariff.

(c) The service voltage shall not be less than 138 kV, line to line, at each delivery point. Service is provided at the supply side of the Mill's transformation equipment. PHP must own the transformation facilities and no transformer ownership credit is applicable.

(d) This Tariff cannot be taken in conjunction with other tariffs unless approved by the Nova Scotia Energy Board (NSEB, Board).

COST OF ELECTRICITY UNDER THE ELIADC TARIFF

The price paid by PHP for electricity under this Tariff will be based on the forecast incremental cost to serve PHP at an assumed levelized baseline load level, plus an adder to contribute to the reduction of the cost of service to other NS Power customers, less a credit to recognize system savings enabled by PHP's granting Active Demand Control of its load to NS Power. The credit is also intended to incent PHP to assist NS Power in realizing the full potential value of Active Demand Control by allowing PHP to share in the resulting system savings.

The pricing elements comprising the ELIADC are:

- Customer Baseline Energy Cost (CBL Cost)
- Customer Baseline Energy Charge (CBL Energy Charge)
- Customer Baseline Adder (CBLA)
- Variable Capital Charge
- Active Demand Control Credit

Minimum Payment

The ELIADC Tariff requires that a minimum payment shall be made by PHP in respect of each tariff year, which shall not be less than the sum of:

(a) NS Power's actual total incremental cost of serving PHP during the year (including the cost of fuel and purchased power, line losses, variable operating costs and variable capital costs for NS Power's incremental generation and delivery of electricity to the customer), plus

(b) $5.00 multiplied by the total number of MWh supplied in the year (i.e. the minimum Fixed Cost Recovery, FCR). For clarity, the CBLA calculation ensures that the FCR is at least $5.00 per MWh once transferred from the CBL Cost to the CBLA.

Any adjustments required to achieve this minimum payment amount will be determined and charged to PHP after year end.

Customer Baseline Energy Charge, Customer Baseline Energy Cost, and Contribution to Utility Costs

In advance of each tariff year, PHP shall advise NS Power of its forecast annual and monthly energy requirements for the subsequent calendar year, including the anticipated dates and durations of PHP's major scheduled maintenance periods. Upon receipt of such forecast, NS Power will then calculate, in $/MWh, its forecast annual cost to serve PHP at a levelized baseline load level (i.e., the Customer's average demand will be assumed to be the same in each hour after taking into account major scheduled maintenance) to produce the CBL Cost.

The CBL Cost calculation will be inclusive of all incremental, non-capital costs to serve PHP and will assume no economic load shifting (e.g. no reductions in usage in high-cost hours or increased usage in low-cost hours). The CBL Cost will include the forecast cost of fuel and purchased power, line losses, and variable operating costs for NS Power's incremental generation and delivery of electricity to PHP and FCR, which is transferred to the CBL Adder (CBLA), as described in the bulleted list below, to produce the CBL Energy Charge. The CBL Energy Charge will form the basis of the ELIADC Energy Charge for the upcoming calendar year.

A CBL Adder will be calculated with reference to the forecast CBL Cost. As the forecast CBL Cost ($/MWh) decreases, the CBLA increases.

- When the forecast CBL Cost is at or under $56.75/MWh, the CBLA is calculated as 75 percent of the difference between the forecast CBL Cost and $61.75/MWh, plus $1.25/MWh. As the CBLA is equal to or more than the $5/MWh FCR, the FCR is fully included in the CBLA.
- When the forecast CBL Cost is more than $56.75/MWh and under $61.75/MWh, the FCR to be transferred from the forecast CBL Cost is the differential between the $5/MWh FCR and the calculated CBLA of 75 percent of the difference between the forecast CBL Cost and

$61.75/MWh. The FCR transferred from the CBL Cost is then added to the calculated CBLA to equal $5/MWh FCR.

- When the forecast CBL Cost is at or over $61.75/MWh, the FCR to be transferred from the forecast CBL Cost is $3.75/MWh. The difference between the forecast CBL Cost and $61.75/MWh is assigned a value of zero, and the CBLA is calculated as $5/MWh FCR.

The CBL Energy Charge is equal to the CBL Cost less the FCR transferred to the CBLA. The CBL Energy Charge and the associated CBLA shall be submitted for Board approval on an annual basis as part of the annual proceeding by which NS Power's Annually Adjusted Rates are established.

In addition to the CBL Energy Charge and CBLA, PHP will pay a Variable Capital Charge (VCC) for NS Power's incremental generation and delivery of electricity to PHP in the amount of $3.34/MWh.

In summary, the Tariff energy charge per MWh will be calculated as follows:

$$\textit{ELIADC Energy Charge} = \textit{CBL Energy Charge} + \textit{CBLA} + \textit{VCC}$$

ELIADC ENERGY CHARGE

Information on the CBL Energy Charge and VCC for 2026 will be provided to the Board by November 7, 2025.

INTRA-YEAR MODIFICATIONS TO THE CBL ENERGY CHARGE

NS Power will utilize its established forecasting methodology to determine the CBL Energy Charge. PHP will undertake commercially reasonable efforts to accurately forecast its energy usage.

If, during any year, certain circumstances, such as those described in the next paragraphs, change significantly resulting in a material impact on the appropriate CBL Energy Charge to be paid by PHP during the year, NS Power may, upon approval of the Board, revise the CBL Energy Charge on a prospective basis.

In recognition that the calculation of the CBL Energy Charge for 2020 may be materially impacted if there are delays to the start date of deliveries of the NS Block energy import beyond June 1, 2020, if NS Power determines that any such delay will have a material impact on the appropriate CBL Energy Charge to be paid by PHP for 2020, then the CBL Energy Charge will be subject to recalculation pursuant to this provision.

Additional circumstances which, if changed significantly, would warrant reassessment of the CBL Energy Charge could include, but are not limited to:

(a) It becomes apparent that the CBL Energy Charge plus the CBLA plus the Variable Capital Charge will not result in the recovery of the actual incremental cost to serve plus $5/MWh FCR;

(b) Material and unexpected change in the cost of generation as compared to the CBL Energy Charge calculation;

(c) Material and unexpected increased electricity consumption by PHP during the year, such as significant physical plant modification (as signified by a specific capital expenditure beyond normal annual capital spending), a change in product line or a material non-forecast change in product demand; and

(d) Material and unexpected decrease in electricity consumption by PHP during the year (such as due to plant shutdowns, labour issues, or market downtime).

If PHP and NS Power are unable to agree on the required changes to the CBL Energy Charge as a result of any of the above modifications, the matter may be submitted to the Board by either party on an expedited basis for adjudication. Revisions to the CBL Energy Charge will not change the Minimum Payment to be made by PHP.

ACTIVE DEMAND CONTROL AND SCHEDULE VARIANCE

NS Power shall be entitled to actively manage PHP's load in accordance with the terms and conditions set out in the Active Demand Control – Energy Supply Protocol attached as Schedule 1 to this Tariff.

Annually, NS Power shall report to the Board to confirm the dollar value of system savings that have been achieved through Active Demand Control of PHP's load under the Protocol, taking account of the impacts of any variances by PHP from the dispatch schedules issued to it by NS Power and any adjustments arising from schedule variances if required. In accordance with the Board's direction in NS Power's Application for a Third Term of the ELIADC Tariff (M12184), the Company's annual reporting will further include "more detailed quantification of actual load shifting benefits (and costs), an identification and discussion of the types of deviations that provide the most benefits and why, ways to improve the tariff or tariff administration, and a comparison of current year outcomes to prior years to help to evaluate ELIADC performance over time."[1] NS Power shall endeavor to submit this report no later than 60 days after the end of a tariff year.

PHP will be entitled to a credit equal to 25 percent of the cost differential between the CBL Cost and the actual annual cost to serve PHP during the given tariff year. Such payments to the Customer will be made via an annual lump sum payment.

[1] M12184 – NSEB Decision, 324430, page 5. September 22, 2025.

TERM

The third term of this Tariff is 2026, unless revised per a Decision of the NSEB (Term). Prior to the end of the third term, NS Power or PHP may apply to the Board for approval of a subsequent term for this Tariff, including the approval of the pricing elements of the Tariff to be applied during the subsequent term or PHP's transition to an alternative tariff.

REOPENER

If, at any time during the Term, NS Power or PHP determines that the ELIADC Tariff is not working effectively, the parties shall work together to try to resolve any such concerns. If the parties cannot resolve such concerns, either party may apply to the Board to adjust the Tariff, or the components thereof, on a prospective basis. If necessary, and to protect customers, the Board may grant such approval on an expedited basis. Following any adjustment, PHP would be provided the opportunity to determine whether to remain on the Tariff.

DSM COST RECOVERY RIDER

The Demand Side Management Cost Recovery Charge is not applicable to PHP, and PHP will have no standing to participate in DSM-related proceedings.

FUEL ADJUSTMENT MECHANISM (FAM)

No FAM charges or credits shall be applicable to PHP, and PHP will have no standing to participate in FAM-related processes or proceedings unless it is proposed that a FAM-related charge be assessed against PHP or unless any such process or proceeding specifically deals with an issue that can directly impact on NS Power's incremental electricity costs.

MINIMUM LOAD REQUIREMENT

NS Power will withdraw the availability of this tariff, if, on a consistent basis, PHP is not maintaining a regular demand of 25,000 kVA.

INTERRUPTIBILITY

The Mill will reduce its load by, at a minimum, the amount requested by NS Power within 10 minutes of such request by NS Power. Following such interruption, service may only be restored by the Mill with the approval of NS Power.

PHP will make available suitable contact telephone numbers of a person or persons who are able to interrupt the required load within ten minutes.

Load interruption calls will be made to PHP in advance of all such calls to NS Power's Large Industrial Interruptible Rider customers. Where the customer has provided NS Power with the ability to monitor and interrupt its load under terms and conditions determined by NS Power, NS Power may hold this load as Operating Reserve as required by system conditions. When interruptions are required, NS Power will exercise the automated control of the customer's load to interrupt the customer load.

PHP is expected to comply with all calls for interruption. Failure to comply in whole or in part with a request to interrupt load will result in penalty charges, payable within 15 business days unless such penalty payment is being contested in good faith. The penalty will be comprised of two parts, a Threshold Penalty and a Performance Penalty.

The Threshold Penalty charge will be equal to the amount of the applicable formula cost for energy taken under this Tariff effective at that time for the consumption used in the month.

The Performance Penalty which is based on PHP's performance during the interruption event is calculated as per the formula below:

Performance Penalty = ($15/kVA x A) + ($30/kVA x B)

Where:

"A" is any residual demand (above that required by the interruption request) remaining in the third interval directly following two complete 5-minute intervals after the interruption call was delivered by telephone call.

"B" is PHP's average demand in excess of the compliance level based on 5-minute interval data during the entire interruption event excluding the interval used to determine "A."

The total penalty will not exceed two times the cost of the formula amount, effective at that time for the consumption used in that month.

Should PHP fail to respond during subsequent calls within the same month, the same penalties will apply for each failure to interrupt.

Interruptions will be limited to 16 hours per day and 5 days per week to a maximum of 30% of the hours per month and 15% of the hours per year.

Conversion of Interruptible Load to Firm

Should PHP desire to be served under any applicable firm service tariff, a five-year advance written notice must be given to NS Power so as to ensure adequate capacity availability. Requests for a conversion to firm service will be treated in the same manner as all other requests for firm service

received by NS Power. NS Power may, however, permit an earlier conversion. If PHP desires to return to interruptible service in the future, PHP may convert to an interruptible service tariff following two years of service under the firm tariff schedule. NS Power may permit an earlier conversion from firm to interruptible service.

Order of Interruptibility

In the event an interruption call is required in order to avoid shortfalls in system electricity supply, interruptible load will be called upon to provide capacity to NS Power in the following order:

(1) Generation Replacement and Load Following (GRLF) Tariff;

(2) Extra Large Industrial Active Demand Control Tariff;

(3) Shore Power Tariff;

(4) Interruptible Rider to the Large Industrial Tariff.

In situations in which load of the customer under this Tariff is held as Operating Reserve, NS Power may change the above order of interruption by interrupting Large Industrial Interruptible Rider Tariff customers whose load is not held as Operating Reserve before interrupting the Customer.

MAINTAIN SYSTEM INTEGRITY

PHP will make all necessary arrangements to ensure that its load does not unduly deteriorate the integrity of the power supply system, either by its design and/or operation. Specific requirements shall be stipulated by way of a separate operating agreement.

In assessing issues that might unduly affect the integrity of the power supply system, the following would be considered: reliability, harmonic voltage and current levels, voltage flicker, unbalance, rate of change in load levels, stability, fault levels and other related conditions.

SECURITY FOR PAYMENTS

NS Power shall invoice PHP weekly, and PHP shall pay the billed amount net 7 days. As security for payment, PHP shall provide NS Power a letter of credit from time to time. The form, amount, and issuer of the letter of credit will be satisfactory to NS Power. To the extent that a letter of credit introduces a lag time and there are additional costs to NS Power, these will be paid by PHP not NS Power or its customers.

SEPARATE SERVICE AGREEMENT

NS Power reserves the right to have a separate service agreement if, in the opinion of NS Power, issues not specifically set out herein must be addressed for the ongoing benefit of NS Power and its customers.

POWER FACTOR CORRECTION

Under normal operating conditions, an average power factor over the entire billing period, calculated for kWh consumed and lagging kVAR-h, as recorded, of not less than 90% lagging for the total Mill load (under all rates) shall be maintained, or the following adjustment factors (Constant) will be applied to the CBL Energy Charge:

Power Factor	Constant	Power Factor	Constant
90-100%	1.0000	65-70%	1.1255
80-90%	1.0230	60-65%	1.1785
75-80%	1.0500	55-60%	1.2455
70-75%	1.0835	50-55%	1.3335

METERING COSTS

Metering will normally be at the low voltage side of the transformer and, for measurement and, where applicable, billing purposes, meter readings will be increased by 1.1%. Should the Mill's requirements make it necessary for NS Power to provide primary metering, PHP will be required to make a capital contribution equal to the additional cost of primary metering as opposed to the cost of secondary metering. The costs of any special metering or communication systems required by PHP in connection with service under this Tariff shall be paid for by PHP as a capital contribution.

Part A – Definitions

ADC: Active Demand Control.

ADC Operating Procedure: Procedure document maintained by Nova Scotia Power System Operator (NSPSO) that describes the operation and usage of ADC for the NSPSO for Current Hour, Operating Hour 1 & Operating Hour 2.

CBL: Customer Baseline Load.

CBL & ADC Benefit Calculation: Process maintained by Nova Scotia Power (NS Power) to calculate the CBL Energy Charge, forecasted ADC benefit and actual ADC benefit.

Current Hour: The current hour of operation, which is only dispatchable by NSPSO.

Dispatchable Hours: All hours beyond Hour 2, as described (hour 3, 4 and beyond) in Section 4.3.10 of the NS Market Rules that are open for redispatch by NS Power.

Excess Energy: Generation which is in excess of the needs of the electric system and which cannot be stored.

Force Majeure: Any event or circumstance or combination of events or circumstances (including major equipment failure) that materially and adversely affects either party in the performance of its obligations in accordance with the terms of this Protocol, but only if and to the extent such events and circumstances are not within the affected party's reasonable control, and which the party claiming Force Majeure could not have prevented through reasonable skill and care.

Hour 1: The next hour, as described (hour 1) in Section 4.3.10 of the NS Market Rules. Dispatchable by NSPSO, and NS Power by exception only.

Hour 2: The next hour +1, as described (hour 2) in Section 4.3.10 of the NS Market Rules. Dispatchable by NSPSO, and NS Power by exception only.

Intra-Day Demand Schedule (ADC Schedule 4): An hourly demand profile that includes all Dispatchable Hours for a consecutive 24-hour duration. This will be provided by NS Power as a forecast to Port Hawkesbury Paper LP (PHP) and NSPSO for the upcoming period. NSPSO will confirm the schedule and only change dispatch if required for a change in system conditions.

Monthly Demand Schedule (ADC Schedule 1): A monthly, indicative, demand profile that includes a maximum and minimum demand profile for all months of the year, or all remaining months of the year if a system rerun is required. These forecasts will be performed annually and updated as required

by NS Power. Refer to Part B. The results of these runs will be presented and shared with PHP as ADC Schedule 1.

NS Market Rules: Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules.

NS OATT: Nova Scotia Power Incorporated Open Access Transmission Tariff including the Standards of Conduct (Attachment E).

NS Power: Nova Scotia Power Groups – Fuels, Energy and Risk Management (FERM), Portfolio Optimization, Customer Solutions and any other non-System Operator Nova Scotia Power function. NSPSO: Any Nova Scotia Power System Operator function.

Operating Mode Characteristics Schedule: The schedule referenced in Part D of this Protocol.

PHP: Port Hawkesbury Paper LP.

Seven Day Demand Schedule (ADC Schedule 3): An hourly demand profile produced and co-optimized as part of the system by NS Power each business day. The Seven Day Demand Schedule includes all Dispatchable Hours, starting 00:00 for the upcoming business day, for a 168-hour duration.

Tariff: The Extra Large Industrial Active Demand Control Tariff.

Weekly Demand Schedule (ADC Schedule 2): An annual, indicative, demand profile that includes a maximum and minimum demand profile for each week of the year or all remaining weeks of the year, if a system rerun is required. This will inform the development of the Seven Day Demand Schedule. These forecasts will be performed annually and updated as required by NS Power.

Part B – Protocol Forecasting and Operation

(1) Annually, no later than the seventh business day of November, NS Power will forecast the Monthly Demand Schedule, Weekly Demand Schedule, and monthly and weekly limits based on PHP's demand forecast for the upcoming year (January 1 to December 31). The results of these forecasts will be published to PHP and NSPSO in ADC Schedules 1 & 2. As and when required during the year, NS Power will reforecast the Monthly Demand Schedule and Weekly Demand Schedule and update ADC Schedules 1 & 2. The values in ADC Schedules 1 & 2 will bound the daily forecast runs used to create the Seven Day and Intra Day Demand Schedules.

(2) On a daily basis (non-statutory holiday weekdays), NS Power will provide PHP and NSPSO with a Seven Day Demand Schedule that is optimized as part of the NS Power system day-ahead planning process. PHP's demand will be co-optimized as part of the full NS Power portfolio. As part of this co-optimization:

(a) With respect to forecast PHP annual capital shutdowns, PHP will provide a minimum of one month's advance notice of the timing and duration of the shutdowns; and

(b) With respect to forecast PHP regular maintenance shutdowns, PHP will provide a minimum of seven days advance notice of the timing and duration of the shutdowns.

(3) From time to time, a request may be made to PHP to adjust their daily demand from the Seven Day Demand Schedule in anticipation of significant events. An example of this would be a weather event that is forecasted. Such requests must fall within the agreed Operating Mode Characteristics Schedule and the ADC Operating Procedure.

(4) Intra-Day, no later than the start of Hour 1, NS Power will provide PHP and NSPSO with an updated Intra-Day Demand Schedule when a dispatch change is required. This request will supersede the previously submitted requests.

(5) If, during the Current Hour, Hour 1 and/or Hour 2, system conditions change unexpectedly such that they have a material impact (positive or negative) on system costs, NSPSO will contact PHP with a schedule change (an increase or reduction in demand) provided such changes fall within: the agreed Operating Mode Characteristics Schedule, the final communicated PHP shutdowns, and the ADC Operating Procedure. Otherwise the most recent schedule submitted by NS Power will be set as the hourly demand. This will represent the final demand schedule with any deviations tracked as a schedule variance.

(6) As noted in the Tariff, if, during the current year, NS Power determines that there are significant adverse differences between the CBL Energy Charge (as defined in the Tariff) and the incremental costs of service, NS Power, with approval of the NSUARB, can adjust the rate on a prospective basis as provided for in the Tariff. In such circumstances, NS Power shall also update and communicate its expected forecast of ADC benefit for the remainder of the year.

(7) NS Power, NSPSO and PHP will exchange the following information on a confidential basis through the methods described below:

7.1. Intra-Day Demand Schedule (ADC Schedule 4) – NS Power;

7.2. Seven Day Demand Schedule (ADC Schedule 3) – NS Power;

7.3. Weekly Demand Schedule (ADC Schedule 2) – NS Power;

7.4. Monthly Demand Schedule (ADC Schedule 1) – NS Power;

7.5. Nova Scotia's Base load forecast – NSPSO;

7.6. Nova Scotia's aggregate wind forecast – NSPSO;

7.7. PHP pulp storage levels – PHP; and

7.8. PHP discrete line operation (i.e. what lines are in and out of service in a period) – PHP.

NS Power and PHP agree that, in order to (1) assist PHP to efficiently respond to any dispatch schedule changes that may be requested by NS Power and/or NSPSO in a manner that benefits the NS Power electric system, and (2) enhance collaboration between the parties when responding to unplanned system changes, NS Power will provide PHP with access to certain system information. On an automated basis, NS Power will provide PHP with information in respect of its system demand and the aggregation of generation types (specifically coal, gas, oil, combustion turbines, imports and hydro) as a snapshot of the current system condition. PHP agrees that such information is to be used exclusively for the foregoing purposes. During any period in which this data is unavailable due to technical issues, PHP will refer to the https://www.nspower.ca/en/home/about-us/todayspower.asp until NS Power is able to re-establish the provision of this data on a timeline that is reasonable, given NS Power's other business priorities. Any use of the data for purposes beyond operational preparedness can result in the suspension of the data sharing.

(8) On an annual basis, NS Power will calculate the actual ADC benefit consistent with the CBL & ADC Benefit Calculation.

Part C – Conditions

(9) Subject only to reasons of health, safety, environmental, system reliability, and Force Majeure events, PHP must not deviate from the NS Power/NSPSO final demand schedule. NS Power/NSPSO must comply with the weekly demand requirements as determined by the Weekly Demand Schedule. In the situation where the Weekly Demand Schedule requirements are not complied with, NSP/NSPSO will work collaboratively with PHP to address the discrepancy.

(10) Following any health, safety, environmental, system reliability, or Force Majeure event, PHP and NS Power will use commercially reasonable efforts to restore their applicable operation to normal as soon as possible and without undue delay. In such circumstances, PHP will advise NS Power as soon as possible of any change in availability of PHP's operating modes to allow NS Power to adjust its dispatch schedules accordingly. PHP and NS Power will maintain, as a minimum, hourly contact with each other in the hours following Force Majeure events to keep each other aware of the other's status.

(11) In the case of NS Power or PHP's inability to follow the dispatch plan that triggers one of the circumstances as set out in Appendix 1, the timing, magnitude, and reason for the deviation will be tracked and noted by NS Power/NSPSO. This Appendix may be updated by agreement between NS Power and PHP if other circumstances arise that require variances from the scheduled dispatch to be tracked. Updates to this Appendix will be filed with the NSUARB.

(12) Subject to available generation or load, as the case may be, efforts will be made to reconcile variances in a timely manner, including by NS Power and PHP mutually agreeing to deviate from the previously agreed Operating Mode Characteristics Schedule, with the goal of achieving similar system costs and service to the Mill as would have been achieved if the original dispatch had been followed.

(13) The overall impact on system costs (if any) for the tracked deviations will be initially estimated on a quarterly basis, and assessed at the end of the year by NS Power. If a cost is determined, the ADC credit payment to PHP will be adjusted accordingly.

(14) PHP, NS Power and NSPSO shall maintain a scheduling and/or operations team available to each other on a continuous 24 hour, 7 days a week basis.

(15) PHP's scheduling and operations team shall be empowered with the authority to acknowledge and adjust PHP's demand on behalf of PHP for the supplied Demand Schedule.

(16) This Protocol does not supersede any requirement or obligation as defined in both the NS OATT (including the Standards of Conduct) and NS Market Rules. If a change to either NS OATT and/or NS Market Rules occurs, this Protocol will be updated to reflect any changes, if applicable.

(17) For the purposes of planning, PHP will provide NS Power and NSPSO with its expected annual capital outage timing. This data will be provided in a timely manner, to be included in the NS Power/NSPSO annual planning process. The parties will work collaboratively to co-optimize the timing of PHP outages to provide the best fit for the system while respecting PHP's limitations and requirements consistent with Part B, section 2.

(18) All energy dispatch decisions as they relate to system demand will be performed at the sole discretion of NS Power and/or NSPSO. This includes, but is not limited to, generation dispatch levels, unit commitments, outage planning and/or import/export energy.

(19) The dispatch of PHP demand level will be performed by NS Power and/or NSPSO and must fall within the agreed Operating Mode Characteristics Schedule and the ADC Operating Procedure.

Part D – Operating Mode Characteristics Schedule

For the purpose of planning, dispatch and forecasting, PHP's loading levels will be separated into 9 distinctive operating modes. Only one mode will be able to operate at any given time.

The Operating Mode Characteristics Schedule will include (i) maximum and minimum, up and down time of each operating level, (ii) mill ramp rates, (iii) mill outages planning, (iv) pulp storage levels, and (v) individual line operating modes. This Schedule will be used in the preparation of the demand schedules, the calculation of the CBL incremental cost and the overall ADC benefit achieved as a result of the dispatch of PHP's load. NS Power and NSPSO will be required to dispatch PHP's load consistent with the Operating Mode Characteristics Schedule, including the maximum and minimum limits in ADC Schedules 1 & 2.

This schedule will also contain the maximum and minimum amounts of Annual, Monthly and Weekly energy requirements.

The Operating Mode Characteristics Schedule will be initially developed by PHP in consultation with NS Power and can be changed from time to time by agreement of PHP and NS Power.

Appendix 1

Circumstances in which Variances from Scheduled Dispatch Will Be Tracked

The variance from the scheduled dispatch results in:

- A change in NS Power unit commitment(s)
- A need for NS Power to rebalance a fuel position
- The redispatching of generation from Wreck Cove
- A reduction in the value of an NS Power export or import opportunity
- A condition of Excess Energy
- NS Power/NSPSO is forced to dispatch PHP outside the Operating Mode Characteristics Schedule