

# Nova Scotia Utility and Review Board

IN THE MATTER OF *The Public Utilities Act*, R.S.N.S. 1989, c.380, as amended

## 2021 Maritime Link Benefits Report Q3

NS Power

November 12, 2021

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**2021 Maritime Link Benefits Report Q3  
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**TABLE OF CONTENTS**

1

2

3 1.0 Introduction..... 3

4 2.0 Q3 2021 MARITIME LINK BENEFITS ..... 6

5 2.1 Additional Commentary.....6

6

7 APPENDIX A

2021 Maritime Link Benefits Report Q3  
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1 **1.0 INTRODUCTION**

2  
3 As part of the Consensus Agreement approved by the Nova Scotia Utility and Review Board  
4 (NSUARB or Board) with respect to Nova Scotia Power Incorporated's (NS Power or Company)  
5 2017-2019 Fuel Stability Plan (FSP) and Base Cost of Fuel (BCF) Application, NS Power agreed  
6 to track the benefits realized for customers from the Maritime Link prior to the start of the Nova  
7 Scotia Block and provide such information to customers on no less than a quarterly basis:  
8

9 **3. ANTICIPATED ASSESSMENT FOR MARITIME LINK**

10 The timing and quantum of NS Power's forecast of the amounts to be recovered  
11 through customer rates in respect of the anticipated assessment against the  
12 Company for the Maritime Link over the Rate Stability Period will be as set out in  
13 the Company's Fuel Stability Plan Application.  
14

15 NS Power agrees to track the benefits realized for customers from the Maritime  
16 Link prior to the start of the NS Block and provide such information to customers  
17 on no less than a quarterly basis.<sup>1</sup>  
18

19 In its Order dated November 27, 2019 in respect of NSP Maritime Link Incorporated's (NSPML)  
20 2020 Interim Cost Assessment (M09277), the NSUARB directed that the quarterly reports on the  
21 benefits realized for customers from the Maritime Link prior to the start of the Nova Scotia Block  
22 were to be continued.<sup>2</sup>  
23

24 As part of NSPML's 2021 Interim Cost Assessment (M09810), the NSUARB further directed the  
25 quarterly reports be continued prior to the delivery of the Nova Scotia Block:  
26

27 9. The quarterly reports provided by NSPML and NS Power are to continue,  
28 incorporating the changes recommended by Bates White adopted by the Board in  
29 its *2020 Interim Assessment* Decision with respect to reporting of benefits flowing  
30 from the Maritime Link prior to the delivery of the NS Block.<sup>3</sup>

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<sup>1</sup> M07348, Decision in the matter of a hearing into NS Power's 2017 - 2019 Fuel Stability Plan and Base Cost of Fuel Reset under the Fuel Adjustment Mechanism, dated July 19, 2016, page 25.

<sup>2</sup> M09277, Order in the matter of an application by NSP Maritime Link Incorporated for approval of the 2020 interim cost assessment, dated November 27, 2019, page 2.

<sup>3</sup> M09810, Order in the matter of an application by NSP Maritime Link Incorporated for approval of the 2021 interim cost assessment, dated December 16, 2020, page 2.

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**2021 Maritime Link Benefits Report Q3  
REDACTED**

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1 Please accept this report as NS Power’s third quarter report (Q3) for 2021 in relation to Maritime  
2 Link benefits tracking. NS Power has filed quarterly reports with respect to the benefits flowing  
3 from the Maritime Link consistently since the Maritime Link was energized and placed into service  
4 by NSPML on January 15, 2018.

5  
6 In accordance with the Board’s Decision dated June 11, 2018 on the confidentiality of the Maritime  
7 Link Benefits Quarterly Tracking Report, NS Power provides the amount of energy flowing over  
8 the Maritime Link (megawatts not dollar amounts) each quarter on a non-confidential basis.  
9 Details of total benefits achieved from January 1, 2021 to the end of August 14 are provided in  
10 this report.

11  
12 Delivery of the Nova Scotia Block of energy from the Muskrat Falls hydroelectric project through  
13 the Maritime Link transmission system to Nova Scotia commenced on August 15, 2021. Given  
14 delivery of the Nova Scotia Block has now commenced, this is the Company’s final benefits report.  
15 As such, it provides both a summary of the benefits realized for customers from July 1, 2021 to  
16 the end of August 14, 2021, as well as the total quantifiable benefits in 2021 up to the end of  
17 August 14, 2021.

18  
19 In summary, NS Power confirms that from July 1, 2021 up to the commencement of the delivery  
20 of the Nova Scotia Block, 4,749 MWh flowed over the Maritime Link. NS Power has determined  
21 that the Company has achieved a total of \$ [REDACTED] in quantified benefits for customers associated  
22 with the Maritime Link from July 1, 2021 up to the commencement of the Nova Scotia Block.

23  
24 Total quantifiable benefits in 2021, up to the commencement of the Nova Scotia Block, were  
25 \$6,066,628 compared to 2020 full year benefits of \$4,164,086. As of August 14, 2021, the prorated  
26 amount of the \$10 million annual holdback equates to \$6,191,781. As a result \$125,153 will be  
27 refunded, including appropriate interest, to ratepayers through the FAM upon acceptance of this  
28 report by the Board. The specific details with respect to the quantifiable benefits achieved are  
29 provided in Confidential Appendix A.

2021 Maritime Link Benefits Report Q3  
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1 In the proceeding before the NSUARB for NSPML's 2020 Interim Cost Assessment (M09277),  
2 Bates White Economic Consulting (Bates White), on behalf of NSUARB Counsel, made certain  
3 recommendations with respect to NS Power's quarterly reporting of Maritime Link Benefits.<sup>4</sup>  
4

5 We recommend that NSPI's Quarterly Reporting of Maritime Link be further  
6 standardized and include some reconciliation with previous quarterly reports, its  
7 response to BW-IR-2 (c), and its Interim Assessment Application Supplementary  
8 Evidence. At a minimum, NSPML should reconcile the [REDACTED] of benefits  
9 put forth in its Interim Assessment Application Supplementary Evidence with its  
10 [REDACTED] of benefits put forth in its response to BW-IR-2 (c), and restate all  
11 six quarterly benefits reports to categorize all benefits to date in a consistent set of  
12 benefits categories. NSPML should also elaborate on all MWh of transactions to  
13 date on the Maritime Link, distinguishing between transactions flowing power from  
14 Nova Scotia from those in which power flows to Nova Scotia. This  
15 recommendation will enhance transparency, allow for proper comparisons of  
16 benefits accrued through time, and assist future reviews of the determination and  
17 calculation of those benefits.<sup>5</sup>

18  
19 NS Power addressed Bates Whites' recommendations in the Q3 and Q4 2019 Reports, to the extent  
20 applicable, through **Figure 2 in Confidential Appendix A.**  
21

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<sup>4</sup> M09277, Evidence of Bates White Economic Consulting, dated August 29, 2019, pages 25-27.

<sup>5</sup> M09277, Evidence of Bates White Economic Consulting, dated August 29, 2019, pages 26-27, lines 15-23 and 1-2.

2021 Maritime Link Benefits Report Q3  
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1 **2.0 Q3, 2021 MARITIME LINK BENEFITS**

2

3 From July 1, 2021 up to the start of the Nova Scotia Block, NS Power received from Nalcor a total  
4 of [REDACTED] MWh of energy.

5

6 **2.1 Additional Commentary**

7

8 NS Power purchased from Nalcor [REDACTED] MWh of energy in July 2021, and [REDACTED] MWh of energy in  
9 August up to the commencement of the Nova Scotia Block. During this period, there was no sale  
10 of wheel-through transmission from the New Brunswick border to Bottom Brook, Newfoundland.

11

12 Additional benefit was realized through the import of emergency energy over the Maritime Link.  
13 On August 13, 2021 emergency energy was imported over the Maritime Link for 1 hour in the late  
14 afternoon, supplying a total of [REDACTED] MWh to the Nova Scotia system. The import over the Maritime  
15 Link provided additional energy to support reliable supply to customers and load/generation  
16 balance during this period.

17

**2021 Maritime Link Benefits Report Q3  
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1

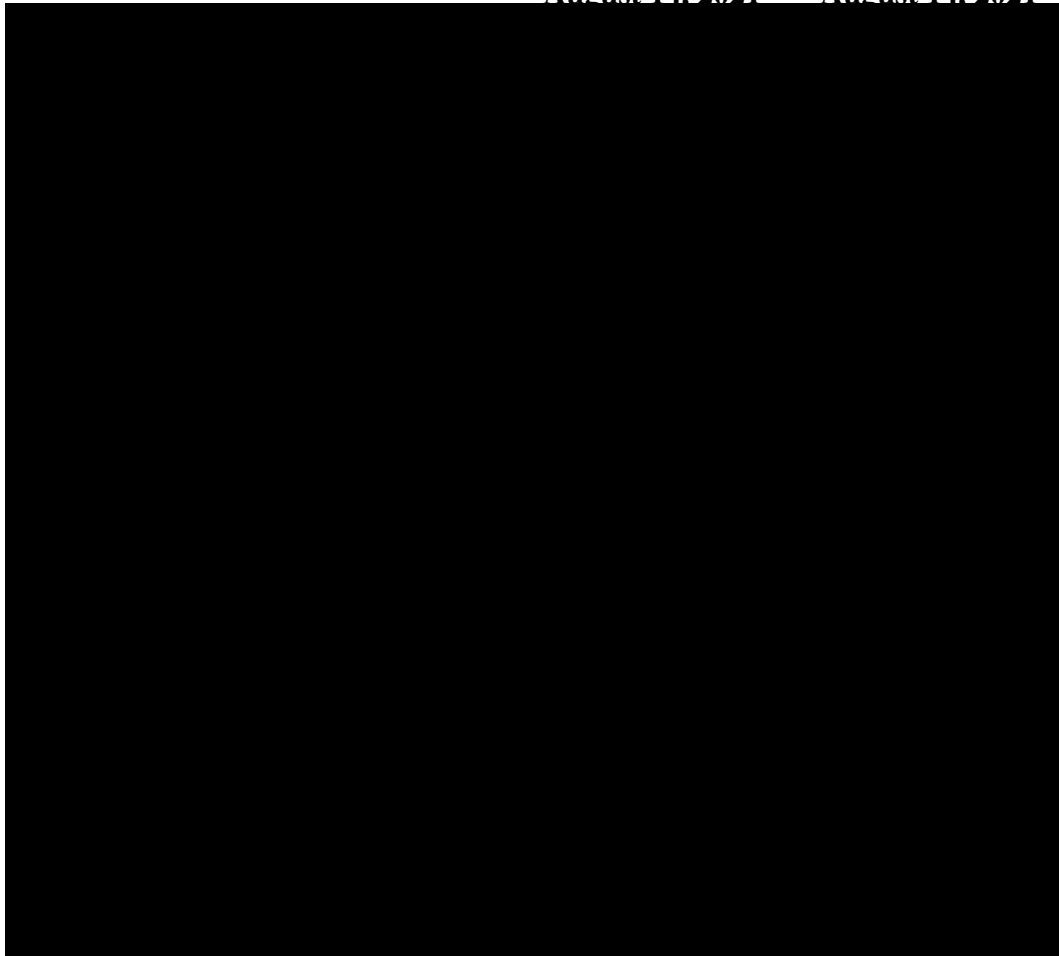
**Appendix A**

2

**2021 Benefits to the Start of the Nova Scotia Block**

**Figure 1. 2021 Q3 & Total 2021 Benefits up to the start of the Nova Scotia Block**

**July 1 –                      January 1 -  
August 14, 2021            August 14, 2021**



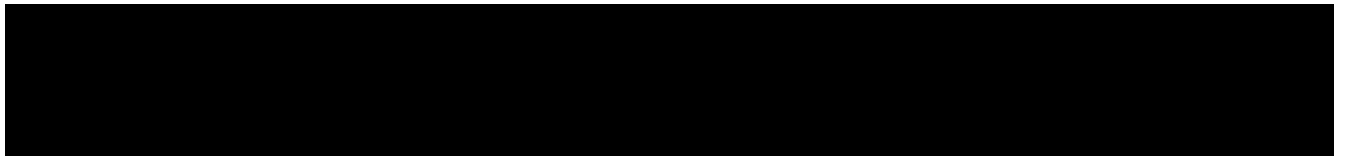
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**Figure 2. 2021 Q3 & Total Benefits to the Start of the NS Block**

**July 1 –                      January 1 -  
August 14, 2021            August 14, 2021**

