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# Nova Scotia Utility and Review Board

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

## Maritime Link Benefits Quarterly Tracking

NS Power  
Q1 2018 Report

May 15, 2018

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# Maritime Link Benefits Quarterly Tracking

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## 1.0 INTRODUCTION

1  
2  
3 In the NSP Maritime Link Incorporated (NSPML) Interim Assessment proceeding<sup>1</sup>, Nova Scotia  
4 Power Inc. (NS Power) provided an estimated quantification of the potential benefits between  
5 January 1, 2018 (the then-assumed operational date) and December 31, 2019 in Confidential  
6 Appendix B to NSPML's Supplementary Evidence filed on February 15, 2017<sup>2</sup>. As described  
7 in NSPML's Supplemental Evidence, the benefits further detailed in Confidential Appendix B  
8 were quantified under four categories:

- 9  
10 1. Exported energy to Newfoundland and Labrador.  
11 2. Imported energy from Newfoundland and Labrador.  
12 3. Optimization of NS Power generation assets  
13 4. Enhanced reliability<sup>3</sup>.

14  
15 In the Utility and Review Board's (UARB, Board) decision on NSPML's application for its  
16 Interim Assessment, it found as follows:

17  
18 [121] A conservative estimate of the benefit of the Maritime Link based on all of  
19 the evidence, without any accounting for the deferrals, is a minimum annual  
20 benefit of \$10 million for the ratepayers of NSPI. The benefits to be achieved  
21 from the use of the Maritime Link are those outlined in paragraph 114 above. In  
22 order to incent the achievement of those conservatively estimated benefits and to,  
23 in a modest way, take account of the risks outlined in paragraph 336 of the 2013  
24 Board ML Decision, NSPI is directed to hold back \$10 million from the  
25 assessment in each of 2018 and 2019. At the end of each year, NSPML and NSPI  
26 are directed to provide proof satisfactory to the Board that a minimum of \$10  
27 million per year in benefits has been achieved. If the \$10 million in benefits is  
28 achieved, the Board will direct NSPI to pay the \$10 million to NSPML. If the \$10  
29 million in benefits is not achieved, then NSPI is to pay, on the direction of the  
30 Board, only that portion of the \$10 million that is achieved and the balance will be

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<sup>1</sup> M07718 - NSP Maritime Link incorporated ("NSPML") - Application for approval of an Interim Cost Assessment, filed December 16, 2016.

<sup>2</sup> M0778, NSPML Interim Cost Assessment Supplemental Evidence, filed February 15, 2017, Confidential Appendix B.

<sup>3</sup> Supra, at page 8, lines 12-18.

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1 refunded to ratepayers through the FAM. NSPI and NSPML have suggested the  
2 benefits could be significantly more than \$10 million. Of course, NSPML and  
3 NSPI are obliged to realize any and all benefits over \$10 million per year that are  
4 prudently achieved in the interests of ratepayers.<sup>4</sup>  
5

6 In addition, as part of the Consensus Agreement approved by the UARB with respect to the NS  
7 Power's 2017-2019 Fuel Stability Plan (FSP) and Base Cost of Fuel (BCF) Application, NS  
8 Power agreed to track the benefits realized for customers from the Maritime Link prior to the  
9 start of the NS Block and provide such information to customers on no less than a quarterly  
10 basis.

11  
12 The Maritime Link was placed into service on January 15, 2018.

13  
14 This is NS Power's first quarterly report in accordance with the provisions of the 2017-2019 FSP  
15 and BCF Consensus Agreement.

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<sup>4</sup> 2017 NSUARB 149; M07718 - NSP Maritime Link incorporated ("NSPML") - Application for approval of an Interim Cost Assessment, Decision dated September 11, 2017, at para 121.

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1       **2.0 Q1 2018 MARITIME LINK BENEFITS**

2  
3       As of March 31, 2018, NS Power has calculated that it has achieved approximately [REDACTED] in  
4       benefits for customers associated with the Maritime Link since January 15, 2018.

5  
6       NS Power has provided additional details respecting the nature and quantification of these  
7       benefits in Confidential Appendix A. The net energy sales benefits arise from commercial  
8       transactions with Nalcor over the Maritime Link for Q1 2018. Commercial Maritime Link  
9       transactions with Nalcor began on February 19, 2018, following approval of Newfoundland &  
10      Labrador Hydro's Open Access Transmission Tariff and maintenance work on the Maritime  
11      Link.

12  
13      NS Power continues to be actively engaged in pursuit of benefits associated with the use of the  
14      Maritime Link on behalf of customers. The reported benefits are the primary benefits achieved  
15      to date. NS Power is in the process of analyzing other system benefits (as canvassed in the  
16      Interim Assessment proceeding) , which NS Power will report on in future updates.

17  
18      NS Power will provide its next update contemporaneous with the Q2 FAM Quarterly filing.

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**Confidential**

**Appendix A**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]