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October 31, 2022

Standing Committee on Law Amendments

Red Chamber
Province House
1726 Hollis Street
Halifax, NS B3J 2Y3

Dear Committee Members:

Re: Submissions on Bill 212 on behalf of the Industrial Group to the Nova Scotia Law Amendments Committee

Please accept this letter as submissions on behalf of the Industrial Group in regard to the proposed Bill 212 An Act to Amend Chapter 380 of the Revised Statutes, 1989, the *Public Utilities Act*.

We act for customers of Nova Scotia Power Inc. who take service under Large and Medium Industrial classes. They are known collectively as "the Industrial Group" and this group has been intervening in Nova Scotia Power's rate cases and other regulatory proceedings for approximately 20 years.

Energy (along with materials and labour) is among the largest cost input to a business; therefore, businesses are deeply interested in the rate-making process.

Members of the Industrial Group, like every other customer of Nova Scotia Power, prioritize reliable, green energy. They also want cost-effective energy. Reliability is an ongoing effort; it is not just restoration after a storm, it is day-to-day and includes energy that is delivered to sensitive equipment that does not sag or flicker and shut down operations.

We say "cost-effective energy" not "low-cost energy" because the Industrial Group recognizes that there are costs associated with reliability investments and costs associated with transitioning to green energy.

The Nova Scotia Utility and Review Board (the "NSUARB") is an independent board that regulates those costs as proposed by public utilities, including Nova Scotia Power.

Board members have expertise in law, engineering and accounting. They are assisted by staff with professional credentials.

Nova Scotia Power is currently in the middle of a General Rate Application to set electricity rates for the next two years. It is the first such hearing in 10 years. All of the evidence has been submitted and all that remains are legal submissions and for the Board to render its decision.

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There are approximately 30,000 pages of evidence on the record and the Board has heard from approximately 30 experts in their respective fields.

There were nine days of hearings in that General Rate Application.

The Board members making the determination of just and reasonable rates to provide service to customers in Nova Scotia have reviewed every piece of evidence, sat through the cross-examination of Nova Scotia Power and its consultants and assessed the witnesses' credibility and reliability.

Based on the General Rate Application process, the Board is well equipped and well informed to set just and reasonable rates so that customers receive safe and reliable service and the Province is on the path to green energy. It has regulatory tools to moderate rate impacts.

Setting a maximum rate by statute may have unintended consequences for ratepayers for years to come – whether it is deferring capital projects that lead us to more reliable and green energy or whether it is a downgrade by the bond rating agencies and associated increase in the cost of debt.

The Industrial Group is concerned about the potential long-term implications of Bill 212. If the outcome is an erosion in Nova Scotia Power's ability to deliver reliable, cost-effective electricity to its customers, while meeting mandated environmental targets, the Industrial group questions whether the government has specific plans to address this potential gap. And, based on this legislation, what the expected role of the regulator will look like now and going forward.

Respectfully yours,



Nancy G. Rubin, K.C.
Partner

Dylan A.F. MacDonald
Associate

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