

Our File: 100384
April 7, 2014

Ms. Nicole Godbout
Regulatory Counsel
Nova Scotia Power
P.O. Box 910
Halifax, NS B3J 2W5

Dear Ms. Godbout:

Re: Integrated Resource Plan (IRP) 2014 – Matter M05522/P-884.14

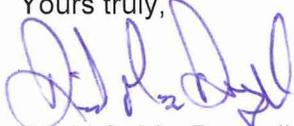
On March 28, 2014, Nova Scotia Power Inc. ("NSPI") circulated its Draft Demand Side Management and Demand Response Assumptions (the "DSM and DR Assumptions"). Please accept the following comment on behalf of Port Hawkesbury Paper LP ("PHP").

On slide 2 of the DSM and DR Assumptions, NSPI indicates that it "proposes to model several direct load control solutions to mitigate peak demand and provide some ancillary services. These DR assumptions do not preclude the utilization of other customer solutions as a resource in the future." NSPI's proposed Forecast DR Program Costs (\$) and Forecast DR Program Impacts (MW) are provided in Slides 5 and 6 and relate to Electric Water Heaters ("EWH") and Commercial Heating, Ventilation, and Air Conditioning ("Comm HVAC").

On April 3, 2014, PHP met with NSPI to discuss the potential opportunities associated with its load to ensure that this can also be considered as part of the IRP, since an industrial-type DR program would differ in some respects from the specific residential and commercial programs identified by NSPI in the DSM and DR Assumptions. PHP understands from this meeting that Plexos as well as Strategist will be used to consider the potential benefits (including ancillary services) that can be offered by DR programs as part of the IRP modeling. PHP also understands that the iterative process that this will allow for will enable NSPI to consider potential opportunities for industrial-type DR programs that may have different program costs, timing and/or scale than the EWH and Comm HVAC programs.

We would appreciate confirmation of this understanding.

Yours truly,



David S. MacDougall
cc: Interested Parties