

## Not speaking to each other NSP lawyer tries to block Bowater counsel from speaking

Relationship sours between Nova Scotia Power, companies seeking break on power rates  
By JUDY MYRDEN Business Reporter



Rick Cecchetto, Stora Enso's regional vice-president of finance; Tor Suther, president of the company's Point Tupper operations; and Fred Hussey, vice-president of engineering services, attend Wednesday's Utility and Review Board hearing in Halifax. (Ted Pritchard / Staff)

The vice-chairwoman of the province's regulatory board may be calling on TV relationship guru Dr. Phil to "get real" with Nova Scotia Power and its two largest customers.

Margaret Shears of the Utility and Review Board expressed concern Wednesday about the souring relationship between the power company and industrial giants Stora Enso, a Finnish company with a paper mill in Point Tupper, and Bowater Mersey Paper Co. of Brooklyn, Queens County.

"It just seems that looking at the changes that are proposed and the resulting effect, I don't know whether the board should just approve a new rate, or approve a new rate and ask Dr. Phil to come and help," Ms. Shears said Wednesday during the second day of review board hearings into a proposed new power rate for the paper companies.

"It just doesn't seem reasonable the utility and its largest customers have to be ordered to speak to each other."

Ms. Shears was speaking of a letter the board wrote ordering Nova Scotia Power to meet with Stora and Bowater to try to resolve their problems over the price of power.

Ralph Tedesco, president and chief executive officer of Nova Scotia Power, admitted the utility was ordered to hold meetings with the two companies but said they had met several times previously.

"We have met numerous, numerous times with these customers voluntarily and otherwise," he said during cross-examination by the three board members.

"We never had an issue meeting the customers, we simply wished to meet with other stakeholders."

Margaret Murphy, spokeswoman for Nova Scotia Power, said it isn't necessary to call in Dr. Phil for the two sides to "get real."

"We don't think we need Dr. Phil, we have the Nova Scotia Utility and Review Board, they're very qualified and we certainly trust the decision they make," she said.

"We would submit that they're very much more qualified than Dr. Phil and stand by their decision."

Ms. Shears made the Dr. Phil reference after a heated exchange with Mr. Tedesco. She asked him if Nova Scotia Power's proposal is affected by its bad relations with Stora Enso and Bowater.

"What comfort level do we have that the proposal (Nova Scotia Power) has put forward is not coloured to some extent by what is obviously a very bad relationship between the utility and its biggest customer?" she said.

Mr. Tedesco responded: "I think it is precisely for that reason that proposal we put forward is entirely consistent with the board's guidelines for establishing a cost-based rate."

"Is it not based," Ms. Shears responded, "on the worst-case scenario on almost every aspect you come up with a rate?"

"No, absolutely not," Mr. Tedesco said. "It's based on the actual costs."

The animosity resurfaced later in the day when Nova Scotia Power lawyer Rene Gallant tried unsuccessfully to block his counterpart George Cooper, representing both Stora and Bowater, from making an opening statement.

Mr. Gallant said only witnesses who are prepared to be cross-examined should be allowed to make opening statements and that it would be "unfair" to Nova Scotia Power.

Board chairman Peter Gurnham, a former power company lawyer, gave Mr. Cooper the go-ahead.

"As far as I'm concerned, any counsel that has ever asked to make an opening statement at a proceeding before that board has been able to do that," he said.

Mr. Gurnham said he recently spoke at a Canadian Bar Association meeting encouraging lawyers to provide opening statements.

"In light of that guidance, I think I'm stuck with my own words, so I think I will allow Mr. Cooper to go ahead."

Board lawyer Bruce Outhouse said he was not aware of a lawyer ever being denied that right at a board hearing.

Fred Hussey, vice-president of engineering services for Stora Enso, touched on the topic of squabbling when he gave his opening statement.

He said the "major issue of contention" between Stora Enso and Nova Scotia Power is the number and duration of power interruptions Stora Enso has been subjected to over the years by the power company in return for a lower rate.

Mr. Cooper refused to address the issue of bad feelings, instead referring questions to company executives who refused to answer media queries.

The hearing resumes today.

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