



Blackburn Law Inc.

March 25, 2025

VIA EMAIL

Ms. Crystal Henwood
Regulatory Affairs Officer/Clerk
Nova Scotia Utility and Review Board
1601 Lower Water Street, 3rd Floor
Halifax NS B3J 3S3

Dear Ms. Henwood:

**Re: M11927 - Application by NOVA SCOTIA POWER INCORPORATED (NS Power)
for approval of an Authorization to Overspend (ATO) on capital application project
CI 50518 – HYD Ruth Falls Main Dam Refurbishment**

The Small Business Advocate (SBA) has reviewed all the materials filed in this matter and submits the following for consideration by the Board.

There are several factors that have driven the increased costs that NS Power has described in this Authorization to Overspend (ATO), some of which were outside the direct control by NS Power. The changes to the federal Fisheries Act and the impacts on this project were potentially not predictable by NS Power when developing its initial estimates. However, it is unclear as to why those changes were not raised as a potential cost impact while the matter was initially proceeding before the Board. Had NS Power identified the issue during the initial application, at the very least the Board and stakeholders would have been aware of the potential ramifications. It is acknowledged that even if the potential cost impact had been raised in that initial application, NSPI may not have been in a position to provide any type of reasoned estimate of the additional cost as a result of those potential changes, but that does not mean that they should not have identified it as a concern.

The uncertainty as to the future approval by the Department of Fisheries and Oceans (DFO) raises concerns of further delays and higher costs. Given these potential delays and increased costs, the SBA respectfully submits that NS Power should be required to provide ongoing and regular updates to the Board regarding the status of its updated project plan to improve fisheries infrastructure, which is currently before the DFO, as well as providing an updated ATO, after it has received full approval from the DFO to proceed. It is concerning that these ongoing potential cost implications are unknown at the time of this ATO and it is important for the Board and stakeholders to have up to date and ongoing information as things proceed.

With respect to archaeological expenses, NS Power's past experience with overspending in this area would suggest that it was well aware of the risks of an overspend involved and NS Power should have allocated a more reasonable amount for archaeological expenses in its initial application. Given that NS Power acknowledges that the archaeological work is not complete, it should provide further explanation for why it believes it has done sufficient surveying of the shoreline for archaeological sites for the Ruth Falls Main Dam Refurbishment project.

The issue of decommissioning is one that has been raised in several matters before this Board and the basis for NS Power's arguments against decommissioning are most often made within the context of its requirements to meet environmental regulations and/or that the hydro is needed to meet load. While the SBA recognizes that both of these requirements are important considerations, the SBA submits that cost must also be a leading factor in the consideration of decommissioning. It is exceedingly difficult to assess how to balance these 3 factors to ensure that the best option is being selected for Nova Scotia ratepayers when the numbers provided in the application change significantly following the applications filing and potentially will change again prior to the project's completion. The upcoming depreciation study is an important step in better understanding the potential costs/benefits of decommissioning, but an updated Hydro Asset Study is also an important tool in understanding the overall picture. The SBA submits that NS Power should be required to provide an updated Hydro Asset Plan in the near future.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 25th day of March, 2025.

Yours very truly,



Melissa P. MacAdam
Small Business Advocate