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Request IR-1:

Please refer to page 3, lines 20 through 27, of the Application dated November 28, 2024 and provide:

(a) An estimate of the average AFUDC balance and the total forecast AFUDC to be capitalized in 2025.

(b) A list of the non-capital deferrals and the forecast average balance in each for 2025.

(c) An estimate of the total reduction in Nova Scotia Power's annual finance expense that would result from decreasing the approved rate as requested.

Response IR-1:

(a) The estimated average balance of construction work in progress (CWIP) is $228 million. Total AFUDC capitalized is forecast to be approximately $16.7 million.

(b) The WACC/AFUDC rates would be applied to the Renewable to Retail deferral (RTR), Construction Work in Progress (CWIP) and Fuel Adjustment Mechanism Regulatory Asset (FAM). Please refer to the forecasted balances shown in the table below.

$ Millions	2025 Budget, Opening Balance	2025 Budget, Ending Balance	2025 Budget, Average Balance
RTR	1.4	1.5	1.5
CWIP	224.2	232.3	228.2
FAM	(120.8)	(7.1)	(63.9)
Total	104.8	226.8	165.8

(c) NS Power estimates deferred financing costs in 2024 would decrease by $0.1 million as a result of applying the updated WACC/AFUDC rate.

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Request IR-2:

Please refer to pages 4 and 5 of Appendix A of the Application dated November 28, 2024.

(a) Please provide the date of the forecasts used to prepare the proposed short-term and long-term debt rates.

(b) Please confirm if the forecast long-term and short-term debt rates in the application fully reflect the recent reduction to the Bank of Canada overnight rate in December 2024. If not, please provide revised forecasts for the short-term debt rate, long-term debt rate and the WACC rate that incorporate the most recent reductions to the Bank of Canada overnight rate.

Response IR-2:

(a) The interest rates used to prepare the forecast were retrieved on August 20, 2024 as part of the Company's annual Budget process and therefore are in compliance with the NSUARB directive from M11563 which requires rates to be collected no more than four months from the date the applications are submitted.

(b) The market consensus at the time of forecast was higher for both short-term and long-term debt when compared to the current market consensus.

The most recent forecast rates from January 15, 2025 would result in a WACC rate of 6.64 percent. The forecast pre-tax cost of short-term debt on page 1 of 6 of Appendix A would be 4.26 percent and the forecast pre-tax cost of long-term would-be 5.08 percent. Because NS Power's capital structure primarily consists of existing long-term debt and common equity, changes in forecast rates from the time of submission for new debt issuances and variable rate debt typically have limited impact on the Company's weighted average cost of capital.

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Request IR-3:

Please refer to page 1 of Appendix A of the Application dated November 28, 2024.

(a) With reference to the average capitalization of $5.683 billion shown at row 13 please quantify what portion of the $5.683 billion is forecast to be financing:

(i) Net plant in service

(ii) Construction work in progress

(iii) Non-capital deferrals

(iv) Working capital

(v) Other items (please specify what these are)

Response IR-3:

Please refer to the average forecast balances shown in the table below.

$ Millions	**2025 Budget Opening Balance**	**2025 Budget Ending Balance**	**2025 Budget Average Balance**
Net Regulated Plant in Service	4,700	5,097	4,898
Plus: Construction Work in Progress	224	232	228
Net Utility Fixed Assets	**4,924**	**5,329**	**5,127**
Deferred Charges & Credits/Non-capital Deferrals	**(46)**	**89**	**21**
Long-term Receivable	**87**	**92**	**90**
Allowance for Materials and Supplies	**324**	**322**	**323**
Allowance for Working Capital	**73**	**170**	**122**
Total	**5,363**	**6,002**	**5,683**