ORDER **M11990**

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF AN APPLICATION by **NOVA SCOTIA POWER INCORPORATED** for approval of its 2025 pre-tax WACC/AFUDC Rate for both capital and non-capital matters

BEFORE: Bruce H. Fisher, MPA, CPA, Member

ORDER

On November 28, 2025, Nova Scotia Power Inc. (NS Power) filed an application requesting approval of its Weighted Average Cost of Capital (WACC) and Allowance for Funds Used During Construction (AFUDC) rates for 2025 rate of 6.66% for both capital and non-capital matters (Application). On March 28, 2025, NS Power filed a compliance filing with a revised WACC/AFUDC of 6.65% using the average of the forecasted three-month T-Bills from Canada's top five banks.

The Board approves the WACC/AFUDC rates and orders that:

1. The WACC and AFUDC rates are set at 6.65%, effective April 1, 2025.

2. NS Power is directed to continue to file an annual application on or before November 30, for approval of the calculation of WACC/AFUDC, unless there is a general rate application filed before this date, as set out in the Board's Decision Letter.

3. NS Power is directed to file its WACC/AFUDC applications using interest rates obtained no more than four months in advance of the filing of its application.

4. NS Power is directed to continue submitting forecast short-term interest rates from Bloomberg Outlook three-month T-Bills and the three-month T-Bills forecasts from Canada's five major banks.

5. NS Power is directed to analyse and report on the current methodology and potential alternatives, including their reliability, ease of administration and any other advantages and disadvantages that NS Powers considers will provide a robust measure of WACC/AFUDC. This review shall be included as part of the 2026 WACC and AFUDC Rates Application. If NS Power submits a General Rate Application (GRA) before the 2026 WACC and AFUDC Rates Application, this review should be included as part of the GRA submission.

6. NS Power is directed to file a notification to the Board if its credit rating changes, or any other changes that materially affects access to capital and borrowing costs, and to provide an assessment of the impact this change may have on its borrowing rates.

DATED at Halifax, Nova Scotia, this 31st day of March 2025.

Crystal Henwood

Clerk of the Board