Request IR-1:

Refer to Exhibit N-4, NSPI's May 8, 2025, letter to the Nova Scotia Energy Board (NSEB) and Attachment 1, March 25, 2025 Letter of Intent (LOI) to Bell Canada which describes a proposed change to the line extension process under the existing Joint Use Agreement (JUA) with Bell Canada. Specifically, on page 1, Bell Canada agrees to the proposal in the LOI that:

- **NSPI will build all customer-requested line extensions, regardless of current mainline joint use pole ownership with each such line extension being owned by Nova Scotia Power.**
- **Bell Canada and NSPI will perform a Point of Construction Settlement at the end of each quarter to determine**
  - **Which constructed line extensions has resulted in additional joint use poles.**
  - **The number of joint use poles that need to be transferred between parties to address the Joint Use ownership ratio.**

(a) The LOI is dated March 25, 2025, on page 1 but dated February 28, 2025, at the top of pages 2 and 3. Since the LOI provided as part of Exhibit N-4 has been signed by both parties in April 2025, please confirm the effective date of this letter of intent.

(b) How many customer-requested line extensions has NSPI built to date, since this LOI was signed?

(c) When was the first quarterly Point of Construction Settlement achieved and how is this settlement reported to the Board?

(d) How will this settlement process change the existing ownership ratio for NSPI?

(e) How is the settlement process referenced in the LOI different from the currently recurring Pole Reconciliation referenced on page 2 of 3 of the LOI.?

Response IR-1:

(a) The effective date of the Letter of Intent (LOI) is March 25, 2025. For clarity, the process change outlined in the LOI took effect on March 3, 2025.

(b) Since the signing of the LOI, approximately 175 work orders have been created under the new line extension process. Please note this is an estimated figure, as NS Power is currently unable to validate the actual number of poles installed due to the recent cyber incident, which has limited NS Power's access to the relevant data.

(c) The first quarterly Point of Construction Settlement has not yet been completed, as the necessary systems are currently being rebuilt following the cyber incident.

(d) The settlement process is intended to adjust NS Power's ownership share of joint use poles to help maintain the ownership ratio desired by both companies and outlined in the Joint Use Agreement (JUA).

(e) The settlement process referenced in the LOI is distinct from the recurring Pole Reconciliation. The Point of Construction Settlement is a quarterly process focused specifically on customer-requested line extensions built by NS Power, regardless of existing mainline joint use pole ownership. It identifies which new poles qualify as joint use and determines how many should be transferred between NS Power and Bell Aliant (Bell) to maintain the agreed ownership ratio.

In contrast, the Pole Reconciliation is a broader, recurring process that ensures the overall ownership ratio agreed upon by NS Power and Bell is maintained across the entire joint use network. While the settlement process may not immediately achieve the agreed ratio, the Pole Reconciliation serves as a periodic true-up mechanism.

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Request IR-2:

Refer Exhibit N-4, LOI, which states that NSPI and Bell Canada agree to execute a signed agreement no later than the end of 2025, or a time frame agreed to by both parties, and the agreement will include further detailing of the operation process and purchasing details associated with this new line extension process.

(a) What is the status of NSPI and Bell Canada obtaining a signed agreement?

(b) What are the further purchasing details associated with the new line extension process?

(c) Would these further purchasing details include costs that would have to be recovered through rates from NSPI customers?

Response IR-2:

(a) Due to the recent cyber incident, the pole settlement process has been delayed. One of the key systems required for this process, NS Power's GIS, is currently unavailable. GIS serves as the system of record for pole ownership and is essential for identifying the location of poles placed in Bell-owned poling areas. It will also be used to update ownership records once the quantity of poles to be purchased by Bell is confirmed. Without access to GIS, NS Power has not been able to fully execute or review the new process, and therefore, a formal agreement with Bell has not yet been finalized or signed.

(b) Further purchasing details relate to the purchase price of a pole, referred to as its Structural Value. These details will be outlined in the formal agreement between NS Power and Bell.

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(c) No, these purchasing costs are not expected to be recovered through customer rates. The further purchasing costs are in relation to Bell purchasing poles from NS Power. This is a cost to Bell, not NS Power customers.

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Request IR-3:

Refer to Exhibit N-6, Evidence filed by NSPI (July 8, 2025) where NSPI describes, at page 2 of 3, "a scenario where lines must be transferred to different poles, as was the case for Seneca Shores, re-engineering for the assets may be required" because certain existing assets do not meet current standards.

(a) Please describe the types and dollar amount of costs associated with re-engineering the assets?

(b) Would these lines be transferred to among NSPI poles or between NSPI and Bell Canada poles?

(c) How many lines are likely to be transferred under this scenario as a percentage of all poles?

Response IR-3:

(a) The types and dollar amount of costs associated with re-engineering vary significantly depending on the specific requirements of each project. Re-engineering may involve labour and material costs related to adjustments in pole height, pole strength, anchoring requirements, compatibility of new wire with existing wire size and type, distance from the existing source, and the ability to support the required load demand. These adjustments may be necessary for both electrical and communication lines.

(b) Re-engineering needs are assessed on a case-by-case basis. Typically, line transfers do not result in a change of pole ownership, meaning lines are generally transferred to poles owned by the same party. However, if the re-engineering assessment identifies the need for longer wire spans or upgrades, the work may involve both NS Power and Bell poles.

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(c) Quantitative data is not currently available to estimate how many lines may be transferred under this scenario as a percentage of all poles. However, re-engineering may be required for existing assets due to factors such as load growth, evolving technologies and standards, or aging infrastructure. Despite these considerations, such scenarios represent a relatively low percentage of overall work.

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Request IR-4:

Refer to Exhibit N-5, NSPI (NSEB) RIR 1-15, which refer to "Bell Aliant" throughout.

(a) What is the relationship between Bell Canada, which is a party to the LOI, and Bell Aliant which is subject to the JUA, as referenced in Board IR-1?

(b) When does NSPI expect to complete the analysis of the OM&G costs to replace existing poles versus install new poles, under by the JUA, referenced on page 2 of 2 in the response to Board IR-2?

(c) Will any of these OM&G costs be included in revenue requirements for recovery in the next GRA?

Response IR-4:

(a) Bell Canada is the parent company of Bell Aliant, having acquired full ownership in 2014. As a result, the names Bell Canada and Bell Aliant are used interchangeably in reference to joint use matters.

(b) There are no OM&G costs associated with replacing existing poles under the JUA. Therefore, NS Power does not plan to conduct an analysis on this matter.

(c) New line extension costs beyond the 92-meter service allowance are billed directly to the customer. Normally, this would result in Administrative Overhead costs to NS Power, which would be factored into NS Power's revenue requirement. However, the LOI between NS Power and Bell outlines the intention for Bell to repurchase the poles (line extensions) using a Structural Value table. Under this arrangement, NS Power retains ownership of all new poles until reconciliations occur each quarter and year. As a result, NS Power does not anticipate incurring net new maintenance costs through the LOI process. Since no OM&G costs are incurred, there will be no associated revenue recovery requirements in the next GRA.

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Request IR-5:

Please explain:

(a) Which Accounting Policies will be used to record any poles that will be retired under the JUA or the amendment to the JUA anticipated by the LOI?

Response IR-5:

Accounting Policy 6420 will be used to record any poles retired under the JUA.

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Request IR-6:

Refer to Exhibit N-5, NSPI (NSEB RIR 11(b)), where NSPI, states on page 1 of 1: "Although no formal service level agreements exist between the two parties, NS Power and Bell Aliant work closely together operationally to ensure work is prioritized and completed in a reasonable time frame"

(a) Is NSPI required to have a service level agreement with Bell Aliant, or Bell Canada, to be compliant with NSPI's Cost Allocation Manual? If not, please explain.

Response IR-6:

NS Power's Cost Allocation Manual applies only to transactions between NS Power and its affiliates. Since Bell is not an affiliate of NS Power, there is no requirement for a service level agreement.