

September 4, 2025

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Lana Myatt
Senior Regulatory Analyst
Nova Scotia Power Inc.
P.O. Box 910
Halifax, NS B3J 2W5

Dear Ms. Myatt:

M12373 – Nova Scotia Power Inc. – CI C0067908 – POA Boiler Refractory Refurbishment 2025 - \$1,378,466

The Board has reviewed an application by Nova Scotia Power Inc. (NS Power) dated July 8, 2025, in which Board approval was requested for the following non-confidential Point Aconi (POA) Boiler Refractory Refurbishment 2025 work order:

CI # C0067908 POA Boiler Refractory Refurbishment 2025 \$1,378,466

This capital item was included in NS Power's 2025 ACE Plan with a budget of \$1,089,478, listed among the projects pending subsequent approval. In its submission, NS Power indicated that an increase of \$289,000 is primarily due to rising material costs, driven by tariffs on imported materials and prevailing market conditions.

NS Power explained that refractory is a critical protective component designed to shield boiler pressure parts from high-temperature exposure, reduce thermal losses, and prevent accelerated degradation. It is critical to perform routine maintenance on refractory systems to support boiler reliability.

Board staff issued Information Requests (IRs) regarding this matter on July 31, 2025, and received responses on August 22, 2025.

As part of its response, NS Power submitted an inspection report prepared by a professional contractor, which identified specific locations within the refractory system that exhibited frequent wear and tear in refractory systems to support the application and substantiate the proposed scope of work.

In its responses to the Board staff's IRs, NS Power clarified its rationale for treating the boiler refractory system refurbishment projects separately from other boiler pressure parts projects. This distinction is based on fundamental functional differences, since the scope of refractory replacement requires different materials, specialized contractors, and distinct quality control measures.

Additionally, NS Power explained that it has adjusted its refractory maintenance practices to align with the planned retirement of the plant by 2030. As part of this strategy, the company has deferred full replacement projects and instead focused on refurbishing or replacing components identified as having potential failure risks prior to the next inspection interval.

The Board accepts that this project is necessary and finds the associated costs to be justified. Accordingly, this confirms that the Board has approved NS Power's request for \$1,378,466, in relation to this work order.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Jennifer L. Nicholson', with a large loop at the start and a wavy tail.

Jennifer L. Nicholson, CPA, CA
Member

A handwritten signature in blue ink, appearing to read 'Darlene Willcott', with a stylized, cursive script.

Darlene Willcott, LL.B.
Member



NSEB APPROVAL SHEET

Project Title: POA Boiler Refractory Refurbishment 2025

CI Number: C0067908

Date: July 7, 2025

Expenditure Profile			Type of Filing	
Year	Budget Amount	Project Estimate	☒	Capital Project Authorization
2025	939,478	1,378,466	☐	Unforeseen and Unbudgeted (U&U)
2026	150,000		☐	Planned & Advanced (P&A)
			☒	Subsequent Approval Item
			☐	Authorization to Overspend (ATO)
			☐	Scope Change
			☐	Final Cost (FIN)
Total	\$1,089,478	\$1,378,466		

COMMENTS

Submitted on behalf of NOVA SCOTIA POWER INCORPORATED



Authorized Signatory
Dave Pickles
Chief Operating Officer

DATE
July 4, 2025

Approved on behalf of NOVA SCOTIA ENERGY BOARD



DATE
September 4, 2025