

July 10, 2025

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Dear Ms. Ferguson:

M12376 – Review of Nova Scotia Power Incorporated Performance Standards

In December 2015, the Government of Nova Scotia amended the *Public Utilities Act*, R.S.N.S. 1989, c. 380, to require the Nova Scotia Utility and Review Board (NSUARB) to establish performance standards for NS Power for electricity system reliability, response to adverse weather conditions, and customer service. The NSUARB engaged the services of London Economics International (LEI) to explore and present options for standards and targets. This led to the establishment of formal performance targets for an initial 5-year period from 2017 to 2021 (M07387).

The *Public Utilities Act* requires NS Power to provide annual written reports comparing its performance against the established standards. A failure to achieve a performance standard may result in an order requiring NS Power to pay an administrative penalty, develop and file a plan for bringing itself into compliance with the performance standard, or both.

The initial performance standards were reviewed by the NSUARB towards the end of the initial 5-year period. With some changes, these standards were implemented for another 5-year period from 2022 to 2026 (M10279).

After the NSUARB's decision implementing the standards for 2022 to 2026, the Government of Nova Scotia amended the performance standard provisions in the *Public Utilities Act*. Amongst other things, these amendments expanded the areas of NS Power's service that may be subject to performance standards and increased the cumulative total of administrative penalties that may be levied against NS Power in a calendar year from \$1,000,000 to \$25,000,000.

On April 1, 2025, on proclamation of the *Energy and Regulatory Boards Act*, S.N.S. 2024, c. 2, Sch. A, the Nova Scotia Energy Board succeeded the NSUARB for all matters relating to the regulation of electric utilities under the *Public Utilities Act*.

Anticipating the end of the current 5-year performance period at the end of 2026, and the need to consider not only whether the existing performance standards should be amended, but an expansion of activities that may be subject to performance standards, the Board re-engaged LEI to assist with the matter and provide a report for the next review. The Board has formally opened this matter on its docket, under the matter number noted in the subject

line. The Board members assigned to this matter are: Stephen T. McGrath, K.C., Chair, Roland A. Deveau, K.C., Vice Chair, and Steven M. Murphy, MBA, P.Eng., Member.

Draft Terms of Reference for this review are included with this letter, for review and comment by NS Power and other parties who may intervene in the proceeding. Once the Board has reviewed these comments, it will finalize the Terms of Reference and LEI will begin its work.

As noted in the draft Terms of Reference, LEI will file a report with the Board for a public review. The Board anticipates this will occur by mid-February 2026. The Board will issue a formal hearing order once the report is filed, setting a timeline for formal steps leading to a public hearing. This will provide NS Power with an opportunity to respond to the report and any recommendations for performance standards. It will also outline procedural steps allowing other parties to seek additional information and provide input into any decision the Board may make about performance standards to be implemented beginning January 1, 2027.

The Board expects NS Power's full cooperation during this review. The Board directs NS Power to respond to data and documentation requests from LEI and provide access to facilities and staff for interviews. The Board also directs NS Power to coordinate LEI's site visits to ensure timely access to necessary resources.

The timeline for the initial steps in this proceeding are as follows:

Notices of Intervention

July 24, 2025

**Comments on draft Terms of Reference
from NS Power and Intervenors**

July 24, 2025

Yours very truly,

Crystal Henwood

Crystal Henwood
Clerk of the Board

c. William L. Mahody, K.C., Board Counsel
London Economics International
Interested Parties

