Request IR-01:

NSPML states that it, "believes a single-year assessment is the appropriate approach at this time." (p. 9) Does NSPML believe that it could be reasonable to operate using single-year assessments until the Maritime Link is transferred to NL Hydro? Please explain your answer.

Response IR-01:

NSPML appreciates the question regarding the opportunity for single versus multi-year assessments in the future.

NSPML believes there is opportunity to improve the efficiency of its regulatory process while maintaining the appropriate NSEB oversight through some version of multi-year under the proper circumstances or some form of modified, but simplified, single-year approach.

An overview of the make up of NSPML's assessment costs provides context for why NSPML was not comfortable putting forward a multi-year application at this time and why there is potential for a form of simplified single- or multi-year assessments in the future. For 2026, NSPML's requested assessment amount is $197.8M, with all but $22M (or ~11%) essentially being fixed financing costs. For the purpose of setting assessment amounts, future variances in the financing cost area should be limited to sustaining capital additions (and associated changes to WACC) and any variances to NSPML's Return on Equity and Debt to Equity ratios.

In terms of the remaining 11% of the proposed 2026 assessment amount, most of these costs are also relatively fixed from year to year (but subject to inflationary pressures). Examples of these items include costs related to labour, insurance, and operating processes that have become more routine through experience. In years with no material changes in process (e.g., recent change to

vegetation management) nor larger one-off type expenses (e.g., marine survey), the truly variable expenses (mainly legal, regulatory, and consulting) are anticipated to be approximately $2 million, or approximately 1% of NSPML's overall assessment.

As set out in our Assessment Application, it is the exceptions to the items set out in the previous paragraph that complicate NSPML's ability to put forward a multi-year assessment at this time. The primary exceptions are items that are not expected to occur on a yearly basis (e.g., marine surveys), material changes to operating practices (e.g., maintenance and inspection services or the addition/subtraction of site contractors), or costs that can be significantly impacted by third party interactions (e.g., legal, regulatory, and consulting). A live example from an operating perspective are the recent changes to our vegetation management and transmission line inspection programs that are still in the maturation period but will also better lend themselves to longer-term cost projections with a reasonable amount of experience.

As described in NSPML's Application, there are certain expenses that are difficult to project as they are driven by factors mostly beyond the control or influence of NSPML. If NSPML incorporates its best estimate for an expense expected to be incurred two to three years in the future, and the actual cost deviates by $1 million or more, the company faces a significant risk of either exceeding its approved earnings range—potentially leading to perceptions of having overcharged customers—or falling below the acceptable return threshold, which could raise concerns regarding financial underperformance. Although neither scenario relates to prudency, both would have a significant impact on NSPML's operating finances.

NSPML is fundamentally different from larger utilities in that it does not have the typical puts and takes that can see higher/accelerated (and prudent) expenditures in one area being offset by lower/delayed (and prudent) expenditures in others. NSPML will typically have one (but potentially zero or as many as two) material projects in a year, with most other expenses being relatively fixed.

NSPML is interested in finding a path forward that will support a multi-year or a simplified single-year approach without subjecting customers or NSPML to material variances caused by factors beyond NSPML's reasonable ability to forecast and unrelated to prudent utility operations.

Finally, we wish to note that in approaching the 2026 Assessment filing, NSPML was compiling cost forecasts in anticipation of filing a multi-year assessment. As the filing deadline approached, concerns were raised (as outlined in the Application) that made NSPML uncomfortable with the prospect of filing a multi-year assessment at this time. Given a shared desire for a simplified approach, NSPML commits to working with customer representatives in advance of its 2027 assessment application in the hope of developing such a solution.

REDACTED

Request IR-02:

Please provide the approved and actual O&M costs at the most detailed level in which each is tracked by NSPML for 2018 to 2027, including approved, actual, proposed and forecast, as applicable. If NSPML does not have an approved 2027 cost forecast, please provide one utilizing a reasonable inflation rate and accounting for any known causes in variation of costs such as scheduled maintenance.

Response IR-02:

Please see table below.

	2027	2026	2025	2024		2023		2022		2021		2020		2019		2018	
Description	Estimated	Assessment	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved
Labour and Administration	**9.8**	**9.5**	**8.6**	**7.8**	**8.6**	**7.1**	**7.2**	**7.5**	**7.4**	**6.9**	**8.3**	**6.8**	**6.9**	**5.9**	**2.4**	**2.9**	**2.0**
Labour				3.7		3.9		3.9		3.2		3.1		2.7		1.2	
Travel				0.3		0.3		0.2		0.1		-		0.3		0.3	
Hardware/Software				1.5		1.4		1.5		1.2		1.1		1.2		0.6	
Administration				0.6		0.5		0.5		0.5		0.5		0.5		0.4	
Health and Safety				-		-		0.1		0.1		0.1		-		-	
Regulatory Costs				0.6		0.5		0.6		1.0		0.4		-		-	
Collateral Agent, Rating Agency, FLG Costs	[redacted]																
Financial Audit																	
Legal				0.5		0.2		0.4		0.5		0.4		0.9		0.2	
Other Consulting				0.3		0.1		0.1		0.1		0.9		-		-	
Maintenance and Inspection	**6.6**	**7.7**	**6.8**	**6.9**	**8.5**	**6.6**	**6.8**	**8.9**	**8.4**	**9.5**	**8.6**	**8.7**	**9.3**	**8.3**	**7.4**	**5.5**	**5.8**
Converters and Substation Operations																	
HVDC System - LTSA	[redacted]																
HVDC System - Other																	
Misc - Fleet Vehicles & Other				-		-		0.4		0.5		0.5		0.2		0.2	
Grounds keeping (incl. snow removal etc)	[redacted]																
AC Substation																	
Grounding Stations																	
Station Services				0.1		0.1		0.1		0.1		0.1		-		-	
Marine Surveillance																	
Subsea & Land Cable - Marine Survey	[redacted]																
Subsea & Land Cable - Other																	
Vegetation Management & Inspections																	
Insurance	**4.6**	**4.5**	**4.6**	**4.2**	**4.6**	**3.9**	**4.0**	**3.5**	**3.8**	**3.1**	**3.0**	**2.7**	**2.2**	**2.0**	**4.1**	**1.8**	**4.1**
Independent Engineer	**0.3**	**0.3**	**0.3**	**0.2**	**0.3**	**0.2**	**0.3**	**0.2**	**0.3**	**0.1**	**0.3**	**0.1**	**0.3**	**0.3**	**0.3**	**0.2**	**0.5**
Environmental Assessment		-	**0.1**	**0.2**	**0.2**	**0.2**	**0.2**	**0.1**	**0.3**	**0.1**	**0.3**	-	**0.4**	**0.2**	**1.6**	**0.4**	-
Contingency and Escalation		-	-	-	-	-	-		**0.2**		**1.0**	-	**1.5**	-	**2.2**	-	**1.6**
Total	**21.3**	**22.0**	**20.4**	**19.3**	**22.2**	**18.0**	**18.5**	**20.2**	**20.4**	**19.7**	**21.5**	**18.3**	**20.6**	**16.7**	**18.0**	**10.8**	**14.0**

Note: For 2027 forecasting purposes, NSPML has applied an escalation rate of 3% to the base 2026 Assessment cost. Maintenance and Inspection costs were adjusted by [redacted] NSPML has not profiled or estimated any specific maintenance and inspection activities in the 2027 forecast (including the 2027 Marine Survey); the 2027 forecast is subject to change.

Request IR-03:

Please provide the approved and actual FTE count and costs at the most detailed level in which each is tracked by NSPML for 2018 to 2027, including approved, actual, proposed and forecast, as applicable.

(a) If NSPML does not have an approved 2027 FTE forecast, please make a reasonable assumption about the FTE count for 2027 and provide an FTE cost forecast using a historical trend for the cost per FTE, accounting for any known changes to the FTE profile.

(b) If the cumulative increase in cost per FTE from 2024 to 2026 exceeds the average historical inflation rate by 1% or more (e.g., cumulative inflation is 3% and cumulative cost increase is 4%), please provide a detailed explanation of the cost drivers, including an estimated breakdown of the cost impact for each driver.

Response IR-03:

Please see details below for approved FTEs and corresponding costs. Note that the costs from 2018-2023 are actual costs, whereas the costs for 2024- 2026 are the budget costs.

FTEs	2027 Forecast	2026 Assessment	2025 Approved	2024 Approved/ Actuals	2023 Actuals	2022 Actuals	2021 Actuals	2020 Actuals	2019	2018
Number in Budget	29.5	29.5	29.5	29.5	29.6	N/A	N/A	N/A	N/A	N/A
Actual/Approved Cost		4.4	4.3	4.1/3.7	3.9	3.9	3.2	3.1	2.7	1.2

a) NSPML does not have an approved forecast for 2027 Labour; however, NSPML anticipates that the number of FTEs will likely remain consistent at approximately 29.5. It

is important to note that NSPML reviews it organizational needs on an ongoing basis and this may evolve as the organization continues to mature.

NSPML applies an annual salary band escalator based on industry market data provided on an annual basis. Budget for salary increases are identified by a combination of market data and affordability. This is currently not available.

b) The average historical inflation rate from 2022-2024 was 4.37%, and from 2023-2025, (using a forecasted inflation rate of 1.9% for 2025) is 2.73%.[1] The number of actual or approved FTEs are expected to be consistent from 2024-2026. The overall increase to approved budget from 2024 to 2025 was 4.9%. Note that there was also as an increase in government pay scales and corresponding increased recoverable compensation in accordance with the Public Utilities Act, Regulation 118. The increase from 2025 to 2026 is anticipated to be 2.4%. Both of these time periods are within 1% of the historical cumulative inflation rate. Note that year-over-year the cost of labour may vary based on charges to affiliates or vacancies with FTEs, which can cause a variance in the labour cost forecasted above. Additionally, cost savings from vacancies may be offset by increased contractor and consulting costs depending on timing and resource needs.

[1] Based on Bloomberg which cites inflation for inflation at 6.8% for 2022; 3.9% for 2023 and 2.4% for 2024; and on Bank of Canada forecasted rate of 1.9% 2025.

REDACTED

Request IR-04:

In Exhibit N-4, Matter No. M11791, RIR-4, NSPML discussed savings associated with the changes in (i) vegetation management process, (ii) transmission inspection methods, and (iii) HVDC Converter long-term service agreement.

(a) Please provide the approved, actual, proposed and forecast costs for each of these three categories for 2024-2027. If NSPML does not have an approved 2027 cost forecast, please provide one utilizing a reasonable inflation rate and accounting for any known causes in variation of costs such as scheduled maintenance.

(b) Please provide an explanation of the change in approach for vegetation management over the past two years, the results of those changes, and any further changes that NSPML anticipates making.

(c) Please provide an explanation of the change in approach for transmission inspection methods over the past two years, the results of those changes, and any further changes that NSPML anticipates making.

(d) Please explain why NS Power migrated to an independent consultant for engineering services and provide the financial and any other intended outcomes.

(e) Please explain what is meant by the statement that NSPML "will now be executing and directly procuring services for the annual maintenance work," provide the financial and any other outcomes, and discuss any further changes that NSPML anticipates making.

Response IR-04:

a) Please see table below:

	2024		2025	2026	2027
Description	Approved	Actual	Approved	Assessment	Forecast
Transmission Inspection Vegetation Management HVDC Station Costs	[redacted]				

Note: For 2027 forecasting purposes, NSPML has applied an escalation rate of 3% to the base 2026 Assessment cost, which does not have a material effect on the overall total for these specific categories. NSPML has not profiled or estimated any specific maintenance and inspection activities and associated contract costs in the 2027 forecast, the 2027 forecast is subject to change.

b) The changes in approach for vegetation management as mentioned in Matter No. M11791, CA IR-4 are discussed in NSPML's application for Matter No. M11791 at section 2.2.2.1. In the 2025 assessment, a small quantity of vegetation management was included for cutting along the grounding lines in Nova Scotia while there were no such activities planned in NL. Please refer to NSEB IR-14 regarding anticipated 2026 activities.

c) The changes in approach for transmission inspection as mentioned in Matter No. M11791, CA IR-4 are discussed in NSPML's application for Matter No. M11791 at section 2.2.2.2. Like 2025, in 2026, NSPML plans to perform at least two helicopter aerial inspection of all its transmission lines, once in the spring (already complete for 2025) and again later in the year in preparation for the winter season. For transmission line structures inspection, as a next step, NSPML is planning to complete an inspection of all structures over a 2-year cycle using drones as the primary inspection technique. The cycle frequency into the future,

for the different inspection methodologies deployed, will continue to be subject to appropriate practices, conditions at the time, priorities and other factors.

d) NSPML believes the question intended to ask why "[NSPML] migrated to an independent consultant", as opposed to NS Power, and has responded accordingly.

Under the Long Term Services Agreement (LTSA), the Original Equipment Manufacturer (OEM) initially provided On-Site Engineering Services to provide real time support for technical issues at site during early operations and the warranty period. Off-Site Technical Support Services along with applicable corrective maintenance and related oversight was provided under warranty.

The build up of technical staff competency and experience to perform critical intervention and corrective work at site was intentional and collaborative over the course of the warranty period, with the support of the OEM and in accordance with the terms of the original and subsequent LTSA agreements. Since operations began, NSPML's staff has become more knowledgeable and independent in resolving technical challenges and, with strong asset performance, it was determined not to have the OEM's resources continuously at site for the initial period following the expiry of the warranty, 2024-2027.

A portion of specialized engineering previously delivered as part of On-Site Engineering is currently being addressed via an independent consultant for engineering services as required. Under the LTSA, On-Site Engineering Services in year 6 (2023) [redacted]; compared to the cost for the independent consultant in 2024 was, [redacted] per M12182 RIR-26. This is expected to be a typical level unless scope or resource requirements were to change. It should be noted that NSPML has retained off-site OEM engineering services under the LTSA to a minimum quantity of [redacted] Off-Site Technical Support Services by the OEM

continues to be provided under the LTSA which provides day-to-day support as needed via a 24-hour 7 day per week telephone hotline connecting the Company's staff to Contractor expertise that can assist with a variety of operation and maintenance issues as needed. In addition, Hitachi delivers other defined scopes of work in accordance with the LTSA schedule which may also be supported by OEM engineering resources. NSPML also engages additional consultants on an as-needed basis to support specific initiatives and projects. The need varies annually, depending on the scope and requirements of each initiative.

NSPML will continue to assess through time the appropriate level and suite of external contractors and consultants complementing the OEM's service offerings to provide prudent coverage and a ready support system to enable the continued availability of the Maritime Link at a reasonable cost into the long term.

e) As has been described in NSPML's previous cost containment reports, the scope of the LTSA has been transitioning to be focused on delivery of OEM specialized services while strengthening internal delivery, knowledge and competence. NSPML has also transitioned to reliance on a more local contractor mix as appropriate for delivery the services. Over time, NSPML has identified services that can be directly managed that were previously delivered by the OEM and the OEM's subcontractors.

The impact of the removal of services from the OEM scope has resulted in an overall reduction in the cost of the LTSA reducing the usage of the OEM's direct resources, management of subcontracts and cost mark-ups from period to period. In the current period, the OEM is providing only supervisory personnel for the annual maintenance services aspect of the contract. The savings referenced in the question were pertinent to the 2023 to 2024 LTSA transition. There is no step change in annual maintenance services between 2025 and 2026; the contract-related costs for the original OEM maintenance scope

in the converter and related stations in the current period is approximately [redacted]. These costs will ramp up and down in accordance with the maintenance requirements and changes in the contracts from period to period.

NSPML has not assessed the next contracting period at this time; the LTSA scope and costs will continue to be evaluated and assessed given planned and unplanned work in the context of operational risks and resourcing to inform the future contract requirements. Please refer to IG IR-01 and NSEB IR-04.

CONFIDENTIAL (ATTACHMENTS ONLY)

Request IR-05:

Please provide a monthly summary of the holdback from January 2024 to September 2025 (estimated, if necessary) and NSPML's progress towards meeting the Board-approved conditions for ending the holdback.

Response IR-05:

NSPML believes it achieved the conditions set by the Energy Board by April 2024 for ending the holdback mechanism. NSPML has been delayed in filing an application to end the holdback largely because of competing demands on the small team at NSPML. In addition, NSPML sought details of recent outages from NLH, as 100% of holdback amounts to date relate to planned outages on NLH's system components (in consultation and coordination with NS Power's System Operator and the Regional Coordinator) or unplanned outages impacting NLH's wider system assets caused primarily by extreme weather events affecting above ground transmission.

NSPML can report that since LIL commissioning, the Maritime Link has had monopole availability (required to deliver the full NS Block) of ~99.9 percent and bipole availability over of 96 percent. Both monopole and bipole availability include planned outages, which have been exclusively monopole.

Summary information from January 2024 through July 2025 is contained in the chart below, with energy amounts expressed as a percentage of the Contract Amount in any given month.[1] September

[1] For the purposes of this response, the NS Block means both the Base NS Block, being 0.986 TWh of Energy delivered annually during peak hours, and Supplemental Energy, presently being 240 GWh of Energy delivered during off-peak hours every winter period (November through March) for the first five years of the 35-year term of the NS Block.

Within this application, NSPML uses the following additional terminology:

2025 information was not available as of this Information Requests Filing date. That said, NLH has planned its bipole winter readiness outage for the end of September. As the September outage is planned for the end of the month and the owed NS Block energy balance is presently nil, there is no opportunity in September for make up deliveries relating to the planned outage to occur and, as such, there is a high likelihood of September not meeting the Energy Board's holdback metrics and resulting in as much as an additional $4M holdback in that month. Based on Make-Up Energy delivery patterns since the LIL's April 2023 commissioning, it is reasonable to expect the September outage amounts will be redelivered in October; although low regional water levels could impact.

Date	NS Block Contract Amount	NS Block & Make-Up Energy	NS Block, Make-Up Energy, & Market Energy	Holdback
Jan 2024	100%	121%	121%	-
Feb 2024	98%	150%	150%	-
Mar 2024	87%	143%	144%	-
Apr 2024	60%	105%	158%	-
May 2024	62%	132%	199%	-
Jun 2024	99%	190%	308%	-
Jul 2024	86%	86%	218%	$1.1M
Aug 2024	0%	0%	0%	$4.0M
Sep 2024	44%	61%	105%	$3.7M
Oct 2024	83%	88%	121%	$1.4M
Nov 2024	98%	105%	115%	-
Dec 2024	99%	163%	221%	-
Jan 2025	88%	96%	134%	$1.1M
Feb 2025	99%	103%	150%	-
Mar 2025	99%	100%	142%	-

- "Undelivered Energy" or "Deferred Energy" consists of the cumulative hourly Base Block and Supplemental Block shortfalls in a calendar month as compared to a perfectly smoothed hourly delivery of the annual Base NS Block plus the winter period hourly-smoothed Supplemental Block.
- "Make-Up Energy" means Undelivered Energy when delivered, which amount of energy is subtracted from the balance of Undelivered Energy.
- "Contract Amount" refers to the base amount of Base NS Block and Supplemental Energy required to be delivered in any given period pursuant to the Energy and Capacity Agreement.
- "Purchased Energy" or "Market Energy" means any energy purchased by NSPI from NLH in addition to the NS Block, including pursuant to the Energy Access Agreement.

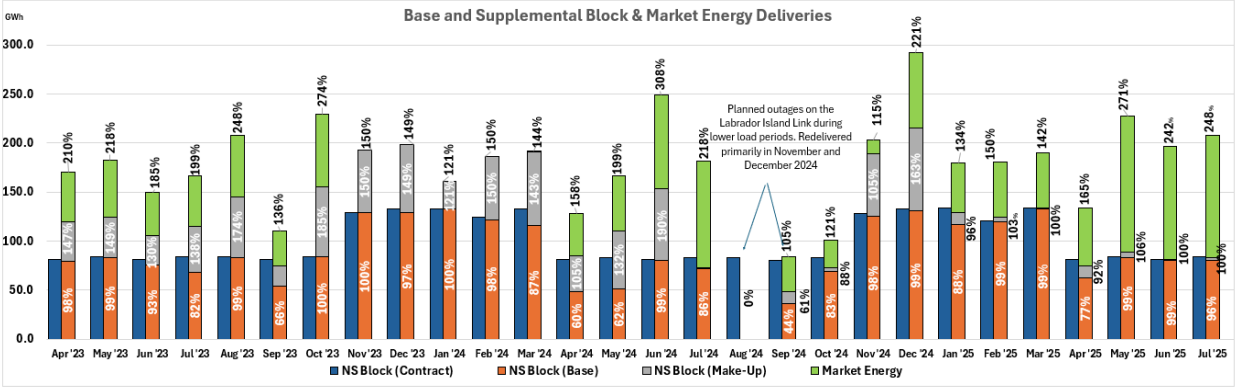
Apr 2025	77%	92%	165%	$0.7M
May 2025	99%	106%	271%	-
Jun 2025	99%	100%	242%	-
Jul 2025	96%	100%	248%	-
Aug 2025*	99.9%	100%	216%	

* August 2025 figures are preliminary.

- For the critical winter period (November 2024 through March 2025), average NS Block delivery levels were 96%, and over 140% when including deliveries of Make-Up Energy and Market Energy.

- Based on NS Power's Maritime Link Benefits Report for 2024 and NSPML's 2024 Assessment, estimated benefits exceeded cost by over $120M in 2024.

- For further context, the following chart sets out delivery levels over the Maritime Link since LIL commissioning in April 2023 in both quantity (GWh) and percentage of contracted NS Block levels:



Please see Confidential Attachment 1 for further details on the outages during the requested dates.

CA IR-05 Attachment 1
has been removed due to confidentiality