2025 **M12394**

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: **The *Public Utilities Act*, and the *Maritime Link Act*, and the *Maritime Link Cost Recovery Process Regulations***

IN THE MATTER OF: **An Application by NSP Maritime Link Incorporated for approval of its 2026 revenue requirement and cost assessment**

INFORMATION REQUESTS

To:	Dr. Sean Cleary, CFA Board Counsel Nova Scotia Energy Board
From:	The Industrial Group
Responses Due:	November 18, 2025
Contact Person	Nancy G. Rubin, K.C. Brianne Rudderham Stewart McKelvey Suite 600-1741 Lower Water Street P.O. Box 997 Halifax NS B3J 2X2 Telephone: (902) 420-3200 / Fax (902) 420-1417

Issued at Halifax, Nova Scotia, this 28th day of October 2025.

Request IR-1:

Reference: **Page 5, lines 25-27.**

Preamble: **Dr. Cleary's ROE recommendation is based on an estimate of the appropriate allowed ROE for NSPI and assumes that the ROE for NSPML and NSPI should continue to be tied.**

(a) What is the basis for the assumption that NSPML should continue to be afforded the same allowed ROE as NSPI?

(b) Are there particular facts or evidence on which Dr. Cleary relied to make this assumption? Please explain.

(c) Was any consideration given to the fact that the Maritime Link is beyond the construction phase and is now in its operational phase, in relation to this assumption?

(d) Is there a policy or economic principle that indicates that tying these utilities' ROEs together is more reasonable or in the best interest of the ratepayers? Please explain.

(e) Has Dr. Cleary analyzed and compared the business risk and financial risk profiles for NSPML and NSPI separately? If so, please provide. If not, why not?

Request IR-2:

Reference: Page 6, lines 16-22.

(a) Can you expand on the specific distinguishing factors between the current Nova Scotia and US markets?

(b) Please elaborate on why the US jurisdictions use generally higher ROEs and equity ratios, and/or why they have significantly higher business risk (noted at page 10, lines 18-22 and Appendix B)?

Request IR-3:

Reference: Page 7, lines 17-23.

Preamble: Dr. Cleary notes the differences between the proxy groups used by Concentric within this proceeding, along with evidence previously filed with respect to NSPI's 2025 GRA proceeding, and evidence filed before the Ontario Energy Board in 2024.

(a) Please explain whether any of these proxy groups used by Concentric would have been an appropriate proxy group to use in this matter for NSPML (if its ROE were determined separately).

(b) Is it ever appropriate (in this or other NSPI rate applications) to integrate comparative US data? Please explain.

Request IR-4:

Reference: Page 11, lines 15-17.

A large source of the higher historical MRP estimates is due to Concentric's use of "income only returns" for bonds to determine MRPs rather than "total returns," which is standard practice for finance professionals.

(a) Please provide support for the statement that the use of "total returns" is the standard practice to determine the Expected Return on the Market (MRP).

(b) Is there any significance of the reference to "finance professionals" i.e. does the standard practice differ for others, including in utility regulatory proceedings?

Request IR-5:

Reference: Page 12, lines 12-14.

Importantly, using allowed ROEs in the U.S. does not provide market-based evidence, does not account for issues such as jurisdiction-specific legislations and case law, nor do they reflect utility-specific business risks affecting Canadian utilities.

(a) Are there enough Canadian utilities to comprise an adequate proxy group?

(b) Does excluding US entities create a risk that too few comparators will be available to provide sufficient context to properly evaluate this NSPML application, or other NSPI rate applications?

(c) What, if any, adjustments could be or should be applied to US-based data to make it appropriate for use in this application?

Request IR-6:

Reference: Page 20, Section 4.2.2 Canada's Outlook.

Has your analysis of Canada's outlook changed since the date of your evidence in light of changing international dynamics and President Trump's recent cessation of trade talks with Canada? Please explain.

Request IR-7:

Reference: Page 29, Section 4.4 Nova Scotia Economy, lines 10-27.

Please expand on the differences and methodologies for extrapolating trends and data derived from the general Canadian economy to the regional economy of Nova Scotia.

Request IR-8:

Reference: Page 33, lines 1-2.

To Dr. Cleary's knowledge has this pattern of "downward 'stickiness'" been explicitly addressed by any utility regulator? If so, please provide references and citations.