Request IR - 1

Reference: Exhibit N-1(i), p. 1 of 36

The NSIESO outlines the transition of system planning, transmission interconnection, energy and capacity procurement functions and real time dispatch operations from NS Power in two phases. Please provide a more detailed transition timeline or Gannt chart if one has been created.

Response IR – 1

Phase 1 Transition (system planning, generation interconnection planning and energy procurement) is planned to take place on December 1st 2025. There are a number of dependencies and risks that NSIESO is managing that could result in the need to move that date to prudently support a successful transition. Planning has focused on several key areas:

- People and Roles
    - Hiring CEO – Complete – started August 18, 2025
    - Designing initial organizational structure – Complete
    - Procurement and selection of NSIESO employee benefits plan and pension arrangements – Underway, complete by November 1, 2025
    - Recruitment of management and administrative team- Recruitment underway and new hires starting from November 1, 2025
    - Phase 1 transfers from NSP – Planned for December 1, 2025
    - Facility readiness – Planned for November 1, 2025
- Technology enablement

    - Generic office capabilities – Planned for November 1, 2025
    - System Planning capabilities – Planned for December 1, 2025
- NPCC and NERC transition and compliance preparedness – Planned for December 1, 2025
- Assumption of responsibilities for
    - IRP commencement – planning underway with process to start before October 24, 2025
    - Resource procurement – planning underway with first RFP planned for release in January 2026

Phase 2 (real time dispatch operations) is notionally planned to take place in Q2 of 2027. As Phase 2 involves the real-time operations of the bulk electricity system it brings additional complexity and implications that require additional planning and implementation activities. There are a number of activities planned to refine the full scope (assuming the relevant sections of the *More Access to Energy Act* are proclaimed into force), identify the technology and process requirements, and develop a comprehensive transition plan and roadmap for Phase 2. It is planned for this work to be completed by the end of June 2026.

To provide transparency on progress the NSIESO produced its first stakeholder bulletin on September 23, 2025, to over 150 contacts, and it will continue to provide regular updates on its progress with the next one expected in October.

To facilitate oversight, provide transparency of progress, and provide a timely update of any changes to the NSEB, the NSIESO proposes that it produces a monthly report on the status of the transition be provided to the NSEB on a one month lagging basis. The NSIESO proposes that the monthly report would provide a brief update on the status of transition in the following areas:

- People and roles
- Facilities and Technology
- Compliance

Request IR - 2

Reference: Exhibit N-1(i), p. 2 of 36

The NSIESO notes that it does not have historical organizational experience and operational data.

a) Has the NSIESO reached out to NS Power to obtain information regarding its organizational experience and operational data?

b) Has the NSIESO reached out to any other independent electricity system operators to obtain information regarding organizational experience and operational data?

c) If the answers to part a and/or b are no, why not?

d) If the answers to a and/or b are yes, how has this information informed the current application?

Response IR – 2

a) Yes, NS Power provided the initial transition information for Phase 1 and Phase 2 positions (from 2024) including average salaries, benefits plans and policies, and pension plans, high level role profiles, organization charts, etc. . In addition, as the Phase 1 transition planning has evolved, NSP has provided additional information on organizational experience and operating data, as requested. Finally, NSIESO notes that a substantial element of the organizational experience rests with the employees who will transition to NSIESO.

b) Yes, NSIESO resources have had contact with other electric system operators such as the Ontario IESO, New Brunswick Power, the National Energy System Operator (UK), and

NS Power, along with external experts to discuss organizational experience and operational data. These conversations will continue and expand throughout the transition, particularly as to the unique differences for the NSIESO from other provinces regarding different market, regulatory, supply and demand environments.

c) The answers to a) and b) are “Yes”.

d) Engagement with other system operators and external experts has provided comparative insights that continue to shape the NSIESO’s budget and approach. Information received from NS Power has informed the staffing, organizational design, and compensation elements of this Application, and overall transition planning.

Request IR - 3

The NSIESO states "It is the NSIESO's proposal to defer the approval of a rate recovery mechanism until its application for the period April 1, 2026 to March 31, 2027." However, in its Notice of Application (Exhibit N-1), it states: "The NSIESO proposes to recover the actual net ongoing OM&A amount recorded as a balance in the Net OM&A Deferral and Variance Account subject to a prudence review, as part of a future application no later than the 2027-2028 test year application made in the latter part of the 2026 fiscal year."

A) Please confirm, or explain otherwise, that the NSIESO only intends to recover its 2026-2027 revenue requirement under the rate recovery mechanism that will be proposed in its application for the period April 1, 2027, to March 31, 2028.

B) Does the NSIESO intend to recover the NET OM&A Deferral and Variance Account over a single or multi-year period?

C) Please explain why the NSIESO intends to continue to defer the recovery of its 2025 - 2026 revenue requirement through the next fiscal year. If the concern is that final OM&A costs may not be known with 100% certainty on April 1, 2026, please explain why the NSIESO did not consider beginning the recovery of these costs at that time (most of which will actually be known by then) subject to an adjustment to account for any variance between the remaining forecast and actual expenses at that time.

Response IR – 3

a) The NSIESO is clarifying its request, to confirm that it is requesting the recovery of the approved 2025/26 Revenue Requirement concurrent with the recovery of the 2026/27

Revenue Requirement, which will be the subject of a separate application to the NSEB before December 31, 2025. Any true up amounts resulting from the Net OM&A Variance and Deferral Account would be collected or returned on a lagging one year basis. The NSIESO intends to include a request for approval of a cost recovery mechanism for its approved revenue requirements in its application for approval of a revenue requirement for the fiscal year commencing April 1, 2026, and will be requesting that collection of the approved 2025/26 revenue requirement and the 2026/27 revenue requirement commence in April 2026. In accordance with s. 29(1) of the *More Access to Energy Act,* the NSIESO is required to make this application to the Board no later than 90 days before the start of the fiscal year and, accordingly, the NSIESO expects to file this application before December 31, 2025.

b) The NSIESO intends to seek recovery over a single year.

c) The Application contemplated that, for simplicity, the deferral of the approved 2025 Revenue Requirement, after adjusting for variances, would be collected as one amount. As noted above, the NSIESO is clarifying that it is seeking collection of the approved revenue requirement, before variance adjustments, at April 1, 2026, the start of the fiscal year, with the variance adjustment to be confirmed and collected at a later date.

Request IR - 4

The NSIESO notes that its proposed "NET OM&A Deferral and Variance Account" will serve three specified functions. Please confirm that the underlying intent is to establish a deferral account for all costs the NSIESO actually incurs in fiscal year 2025-2026, net of any surplus funds remaining from its Provincial grant for one-time transition costs.

Response IR - 4

Confirmed. The underlying intent is to establish a deferral account for all OM&A the NSIESO actually incurs in fiscal year 2025-2026, net of any surplus funds remaining from its Provincial grant for one-time transition costs.

Request IR - 5

Reference: Exhibit N-1(i), pp. 4-5 of 36

a) The NSIESO identifies the objectives it is mandated to further under the *More Access to Energy Act*. For each object, please identify any actions the NSIESO intends to take to further the object during fiscal 2025-2026.

b) Please provide a copy of the "organizational workplan" referenced on p. 13 of 36 of Exhibit N-1(i).

c) Does the NSIESO intend to develop and include business plans with its annual revenue requirement applications?

Response IR - 5

a) This is a difficult question to answer, given the current state of active planning and executing by the NSIESO of the Phase 1 transition, as many of the broad objectives laid out in section 9 of the *More Access to Energy Act* cut across several functional areas, and are still subject to ongoing planning. For the balance of the 2025/26 fiscal year, the NSIESO, in addition to the Phase 2 transition planning, will be focused on carrying out the activities associated with the three functions being transferred to it under Phase 1, being:

    a. System Planning
    b. Energy and Resource Procurement, and

   c. Generation Interconnection;

which generally advance the objects set out s. 9 (a), (h), (i), (j), (m), (n), (o), (q), (r), (s) and (t).

b) To clarify the pre-filed evidence, a separate workplan was not created. The NSIESO organizational workplan used to develop the forecast is comprised of the assumptions underlying the forecast. Please see attachment to Response to DGT IR-1.

c) We are currently in the early stages of planning and executing the Phase 1 and Phase 2 transitions. As we move out of the transition stages, we anticipate that Business Plans will be submitted to support the annual request for approval of a revenue requirement.

Request IR - 6

Reference: Exhibit N-1(i), p. 7 of 36

The NSIESO states: "…because the NSIESO does not yet have an approved mechanism to recover rates from customers, the NSIESO is not seeking approval for any such fee as part of this application…" Please explain why the NSIESO did not seek approval for any mechanism to recover rates from customers in this proceeding.

Response IR - 6

The NSIESO was established on October 24, 2024, with its Board of Directors appointed on February 19, 2025. The NSIESO was operating without staff and incurred OM&A costs in its first fiscal year ending March 31, 2026. Since the NSIESO has been operating without staff, it was required to prioritize its work. Also, since it had no financial operating history, there was a degree of uncertainty as to the level of actual costs and the basis on which Government funding would be applied. The NSIESO chose to focus on the approval of a revenue requirement forecast, together with a deferral account, which preserves customers' ability to review variances from the forecast, and the NSIESO's ability to seek recovery of those costs via an account. The NSIESO is requesting a deferral account where the incurred costs for the 2025/26 fiscal year could be held until such time as a cost recovery mechanism has been approved by the Board. As a result, the NSIESO's proposal ensures that there is no prejudice to rate payers or NSIESO enabling a full review of actual and forecast cost and allowing the NSIESO to satisfy its statutory mandate of establishing a revenue requirement.

Request IR - 7

Reference: Exhibit N-1(i), p. 8 of 36, lines 1-6

a) Please confirm the status of the Transition Committee which includes representatives from the NSIESO and NS Power.

b) Please list the membership of the Transition Committee.

c) Please provide the Terms of Reference of the Transition Committee.

d) If no Terms of Reference have been prepared, is it anticipated they will be prepared?

Response IR - 7

a) The Joint Transition Committee has recently been formalized through adoption of Terms of Reference. The Joint Transition Committee has been meeting informally since late July 2025.

b) Please refer to the attachment to this Response to IR for the Terms of Reference that lists the membership.

c) Please refer to the attachment to this Response to IR for the Terms of Reference.

Terms of Reference

IESO Nova Scotia- NS Power Joint Transition Committee

1. Introduction

This Terms of Reference ("ToR") outlines the framework for cooperation between the Nova Scotia Independent Energy System Operator ("IESO Nova Scotia") and Nova Scotia Power Incorporated ("NS Power")(together the "Parties" and each a "Party) in relation to the transition of system operator functions from NS Power to IESO Nova Scotia in accordance with the *More Access to Energy Act*, S.N.S. 2024, c.2, Sch B (the "Act"). To facilitate this work, a Joint Transition Committee (the "JTC")JTC will be formed with equal representation from IESO Nova Scotia and NS Power. The JTC shall:

- Provide oversight and strategic direction.
- Review transition work plans, milestones, and timelines.
- Resolve disputes and escalate issues as needed.
- Engage relevant subject matters experts as needed to provide information to the JTC.

2. Purpose

The purpose of this ToR is to define the scope, guiding principles, responsibilities, and governance structure of the JTC.

The JTC acknowledges that the transition is to occur in two distinct phases

- **Phase I**: Transfer of responsibilities related to system planning, procurement, and generation interconnection procedures. The targeted timeline for the Phase I transfer is December 1, 2025
- **Phase II:** Transfer of responsibilities related to real-time system operations. The targeted timeline for the Phase II transfer is Q2 2027.

The initial members of the JTC are:

IESO Nova Scotia	NS Power
Core Team	
Lead - Peter Doig	Lead - Lia MacDonald
Carm Marcelo	Caroline Blair-Smith
Jason Cooke	Jennifer Power
Danielle Comeau - Project Manager	Marney Steeves -Project Manager
As needed:	
HR	Regulatory Finance
Regulatory counsel	
Other SMEs	Other NSPSO and Planning SMEs

The JTC will meet bi-weekly for check-in meetings with both parties contributing to the agenda. Meetings may also occur as needed at the request of either NS Power or IESO Nova Scotia if topics cannot be adequately addressed during bi-weekly check in meetings.

3. Legislative Framework

This ToR is guided by the requirements and intent of the *Act*, including but not limited to the establishment of an independent system operator and the delineation of its roles and responsibilities from those of the vertically integrated utility.

4. Guiding Principles

- **Information Sharing:** NS Power shall, in addition to its duties as a transmitter under the Act, provide IESO Nova Scotia in a timely manner with all relevant information and data in its possession or control, including the information and data specified by the regulations, in the format requested by the IESO. IESO Nova Scotia is to make information requests via email. All requested materials will be provided via external joint SharePoint site. If there is any delay or inability of NS Power to provide the requested information in the manner or format requested by IESO Nova Scotia, NS Power shall communicate the reasons for the delay or limitation through the respective Lead members of the JTC. The JTC Leads will assess whether NS Power has had a reasonable opportunity to respond, taking into account resource constraints and the complexity of the information requested.

  If the matter remains unresolved following this internal review, it shall be escalated to a designated joint escalation team comprised of IESO Nova Scotia's CEO and NS Power's CEO. The two will meet promptly to seek resolution. Only after this escalation step has been undertaken and resolution remains outstanding may the matter be referred to the Nova Scotia Energy Board for consideration.

  Continuity: The JTC will prioritize system reliability, operational integrity, and regulatory compliance. NS Power shall make its best efforts to continue to carry out all such functions in the normal course so as to ensure minimum disruption to NS Power's system operations, system planning and energy resource procurement prior to and during the transition, including interconnection studies and procedures and related activities. Each of IESO Nova Scotia and NS Power shall promptly advise the other and the JTC of any anticipated issues, delays, or changes to transition timelines, and shall propose appropriate mitigation measures to minimize disruption and ensure continuity of critical functions in accordance with each party's respective obligations under the *More Access to Energy Act*.

- **Timeliness**: Both parties will act diligently and in good faith to meet agreed upon milestones.

- **Division of Responsibilities:** The Parties agree to cooperate in good faith to clearly define and document the respective roles, responsibilities, and decision-making authorities of each Party. This includes jointly identifying and agreeing upon the specific tasks, functions, and timelines assigned to each Party to ensure effective coordination and accountability. Where responsibilities intersect or require joint input, the Parties will work together to establish clear handoffs and communication protocols to minimize duplication, gaps, or ambiguity.

5. Scope of Work

The JTC will identify and coordinate activities necessary to complete transition of system operator functions to IESO Nova Scotia. This may include:

- Sharing relevant information to support IESO Nova Scotia's assumption of responsibilities under the Act;
- Coordinating timelines and milestones;
- Clarifying roles and responsibilities as functions shift;
- Identifying facilities and associated computing systems necessary to execute activities related to real time power system operations; and
- Identifying potential operational or organizational impacts and advising on mitigations where appropriate.

Each Party will participate in good faith and within the limits of its respective legal obligations and operational priorities.

6. Costs

All costs of the transition incurred by NS Power will be reimbursed by the IESO Nova Scotia, except to the extent that internal resource costs incurred by NS Power are accounted for within NS Power's approved revenue requirement. Prior to incurring third party costs or incremental internal costs beyond NS Power's approved revenue requirement, and that are intended to be reimbursed by the IESO Nova Scotia, NS Power shall obtain the agreement of the IESO Nova Scotia.

7. Reporting and Communication

Progress reports may be jointly prepared and submitted to the CEO and President of Nova Scotia Power and the CEO of the IESO Nova Scotia.

8. Working Groups

The JTC may establish working groups from time to time to advance the Phase 1 and Phase 2 transitions.

9. Duration and Amendment

This ToR is effective as of September 1, 2025 and shall remain in effect until the completion of the transition of the NSPSO to the IESO Nova Scotia. It may be amended or extended by mutual agreement in writing.

10. Signatures

Johnny Johnston
President and CEO
Nova Scotia Independent Energy System Operator

Date: 25/09/2025.

Signed by:
Peter Gregg
03BF8918117A425...

Peter Gregg
President and CEO
Nova Scotia Power Incorporated

Date: 25-Sep-25 | 3:02 PM ADT

Request IR - 8

Reference: Exhibit N-1(i), p. 8 of 36, lines 10-12

Have estimated forecasts been prepared for the annual expenditure and revenue requirement in each of the NSIESO's second and third fiscal years? If so, please provide the forecast amounts.

Response IR - 8

The NSIESO has not yet prepared the estimated forecasts for the annual expenditure and revenue requirements in each of the NSIESO's second and third fiscal years. The NSIESO intends to submit its revenue requirement for the 2026-2027 fiscal year no later than December 31, 2025, in accordance with the requirements of the *More Access to Energy Act*.

Request IR - 9

Reference: Exhibit N-1(i), p. 8 of 36

The NSIESO notes that one of the key transition activities that has been completed or is underway is initiating stakeholder engagement.

a) Have Indigenous communities been included in any engagement activities?

b) Have the system operators in other Maritime provinces been included in engagement activities?

c) Has the Northeast Power Coordinating Council, Inc. (NPCC) been included in engagement activities?

d) What engagement activities have already been undertaken and what is planned?

e) If engagement activities have already taken place, what feedback has the NSIESO received from these engagement activities?

Response IR - 9

a) The board chair met with Wskijnu'k Mtmo'taqnuow Agency ("WMA") on July 18. The President and Chief Executive Officer has communicated in writing to Indigenous leadership, in particular Kwilmu'kw Maw-klusuaqn, with a request to meet in person.

b) The President and CEO has communicated with other system operators in the region and plans additional engagement with system operators in the Maritimes, across Canada and the United States, as well as the NPCC, in October-December 2025. Please also refer to Response to NSEB-IR2 for operational engagements.

c) Refer to b).

d) Refer to b).

e) Early feedback from this engagement has been supportive for the new system operator structure being established, most notably the organization operating as an independent, not-for-profit.

Request IR - 10

Reference: Exhibit N-1(i), p. 10 of 36

a) Why are the costs being bifurcated into two accounts, one for the approved amount and one for the variance, rather than recording all costs in one account and comparing the total costs to the approved amount? (similar to how a utility would show total costs compared to budget in an annual statement)

b) Given that the NSIESO proposes to recover its actual OM&A expenses, but it is not proposing any actual recovery in rates during the test period, please explain why it chose to structure the accumulation of actual OM&A costs in a deferral account using a variance mechanism. Is there any accounting or other benefit to this approach?

c) Have accounting policies been prepared? If so, please provide such accounting policies. If not, is it anticipated such policies will be prepared?

Response IR - 10

a) The account was structured to enhance tracking and transparency given that actual balances are determined from both the actual ongoing OM&A expenditures, one-time costs and the available Provincial funding. The Net OM&A Deferral and Variance Account captures both the need to defer approved costs in the form of a deferral sub-account and also the need to record a variance typical of a variance sub-account. These two regulatory constructs are captured in the account proposed.

b) Please see a). Also, NSIESO notes that since it is not recovering the approved amounts in the 2025-2026 rate period, a deferral sub-account is required to recover such approved

OM&A costs in the event of a final order from the Energy Board because of the rule related to retroactive rate making. Furthermore, the use of a variance sub-account keeps ratepayers whole (in the event actual costs are less than approved) and the NSIESO whole subject to a prudence review (please refer to Response to NSEB-IR11) undertaken in the event actual costs are incremental to forecast and in so doing, enable a full consideration of that variance by the EB and parties.

c) No, accounting policies have not yet been prepared but will be developed.

Request IR - 11

Reference: Exhibit N-1(i), p. 13 of 36

The NSIESO notes that any one-time transition costs during the test period exceeding the Provincial funding will be recorded as a shortfall in the Net OM&A Deferral and Variance Account, to be recovered in a future application, subject to a prudence review.

a) Please describe the nature and scope of the contemplated prudence review.

b) Is it expected that the review would consider the prudence of all the actual costs incurred by the NSIESO, notwithstanding the approval of any revenue requirement in this proceeding?

c) Have the estimated one-time transition costs changed from the $1.23 million projected in the application? If so, please provide the updated amount.

d) Are one-time transition costs (except the ones listed in the present application) expected after the period ending March 31, 2026? If so, please describe and provide the estimated amount of such costs.

Response IR - 11

a) The nature and scope of a prudence review in respect of any costs is the consideration of the reasonableness of the NSIESO's expenditure decision consistent with its statutory objects and purposes based on the information that it knew or ought to have known at the time of the decision without the employ of hindsight in the evaluation of decision by the Energy Board.

b) No, upon having approved a forecast revenue requirement, any incremental actual cost over the approved revenue requirement would be the subject of a prudence review. This will ultimately be reflected in the balance in the Net OM&A Deferral and Variance Account.

c) The Application identified one time transition costs forecast at the time. The NSIESO anticipates the total one transition costs will exceed $1.23 million, however we are unable to provide an estimate at this time. As additional one-time transition costs are identified, any differences from forecast will be captured in the Net OM&A Deferral and Variance Account.

d) The NSIESO does expect further one time transition costs for the period following March 31, 2026, however the nature and extent of those costs are not yet known. The NSIESO will be providing an update of forecast expenses in its application for approval of a revenue requirement for the 2026/27 fiscal year, which it intends to file in Q4 2025.

Request IR - 12

Reference: Exhibit N-1(i), p. 14 of 36

The NSIESO states it "…has requested the approval of the total forecast Ongoing OM&A costs of $6.75M and the approval of the recording of the Net Ongoing OM&A approved amount of $5.31 [million] in the deferral account proposed".

a) Is the NSIESO intending to record a deferral of $5.31 million immediately upon approval or will OM&A costs be deferred when they are actually incurred?

b) If the NSIESO intends to record an immediate deferral, please explain why it is appropriate to recover OM&A costs that have not actually been incurred.

c) Please identify all financing and carrying costs associated with outstanding balances in the Net OM&A Deferral and Variance Account.

Response IR - 12

a) The NSIESO is intending to record a deferral of the $5.31 million immediately upon approval of the OM&A costs (Exhibit C-1, Table 16).

b) The NSIESO will not recover OM&A costs that have not actually been incurred. Any amount not actually spent will be captured in Sub account #2 as demonstrated by scenario a in Exhibit C-1, 8a.

c) The finance and carrying costs included in the Forecasted OM&A costs include both an interest cost at a rate of Prime + 0.75% as well as financing costs estimated at 1% of the transaction value. These costs assumed that a line of credit would be required until funding is received. Please refer to the Attachment to DGT-IR1 and Response to DGT-IR30.

Request IR - 13

Reference: Exhibit N-1(i), p. 14 of 36

a) The NSIESO states: "For the purpose of preparing its expenditure forecast, the NSIESO has assumed a start date of September 1, 2025, for the CEO, and October 1, 2025, for the balance of the employees." The Board notes that the CEO was appointed in or about mid-August. Please indicate whether the NSIESO is on track to onboard the balance of the employees by October 1, 2025, and indicate the financial impacts of any known deviations from this schedule.

b) Assuming the full complement of FTEs budgeted in the application, please provide an organizational chart of the employees as of March 31, 2026.

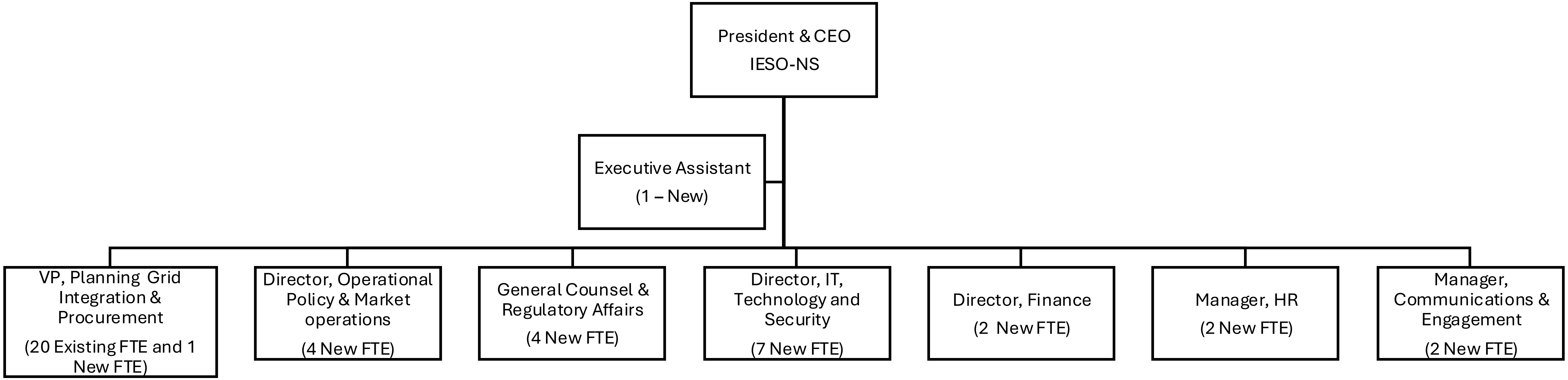
Response IR – 13

a) The CEO started on August 18th, 2025. The planning for Phase 1 and Phase 2 continues to evolve as do the transition plans in order to maintain flexibility. The roles expected to be filled are subject to change as the NSIESO builds out its management team and organizational structure. The financial impact of the later starting date for employees is not yet known, but any variance from forecast will be captured in the Net OM&A Deferral and Variance Deferral Account. Active recruitment is underway for nine (9) net new positions with an estimated start date between November 3 to December 1, 2025. Actual start dates will depend on success in finding qualified candidates to fill the roles and their availability to begin working at the NSIESO.

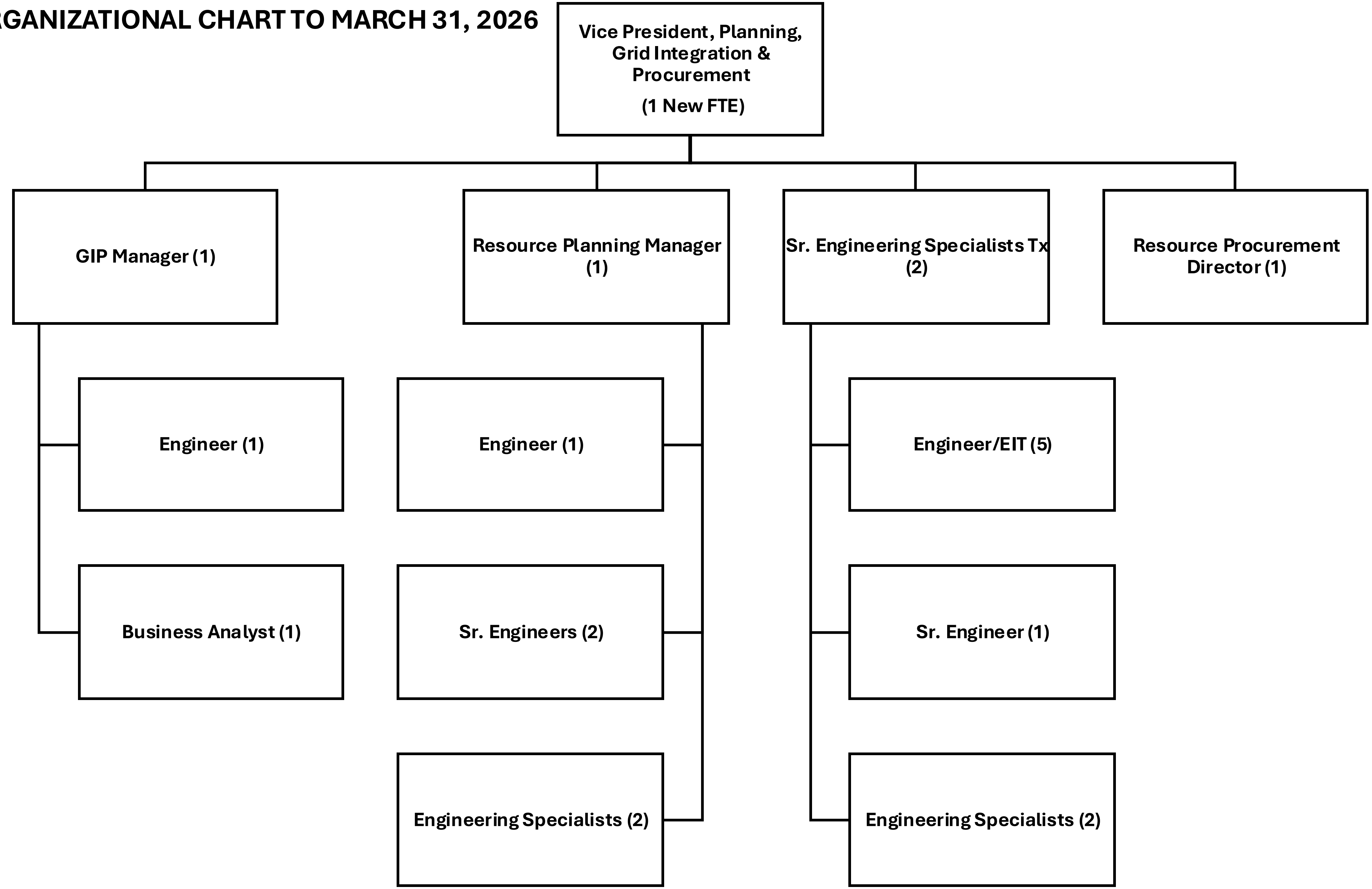
The Phase 1 transitioning NS Power non-union employees will begin to transition to the NSIESO as transition plans are confirmed. The current target date for the transfer of Phase 1 roles is December 1, 2025. Under the *More Access to Energy Act*, s. 40, the NSIESO is obligated to offer Phase 1 employees' employment, but non-union NS Power employees are not obliged to accept the offer. Should that occur, the NSIESO will have to recruit for the vacant role which may extend the timelines. As we are in the early start-up stages and as planning evolves exact start dates are not known for the recruitment of the remaining estimated twelve to fourteen net new roles. We are currently estimating the recruitment to begin by January 2026, and the estimated start dates are between February 1, 2026, to March 31, 2026.

b) Please refer to the organization chart in the attachment to this Response to IR. The roles outlined in the evidence will continue to evolve as the NSIESO builds out Phase 1. The organization chart reflects the current evolution of the organization as of October 2025, and since filing the application. As the organization continues to evolve, the organization chart will be revisited regularly to ensure that it is fit-for-purpose and addresses the current state of organizational needs.

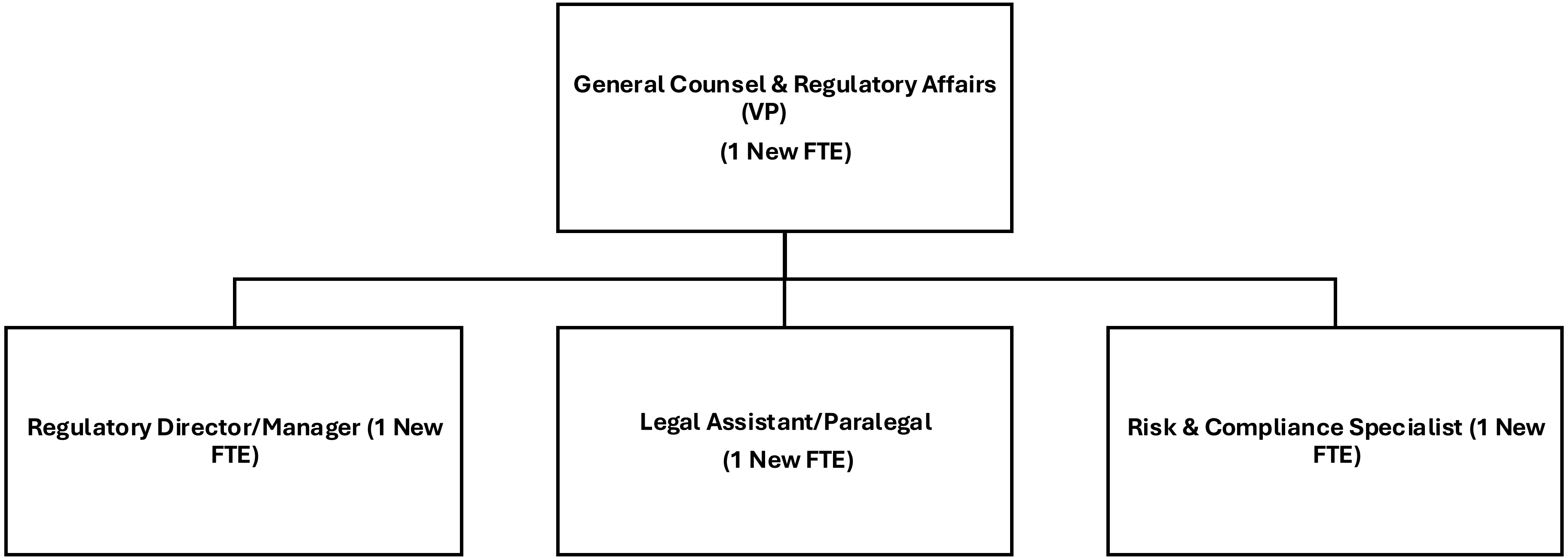
IESO-NS ORGANIZATIONAL CHART TO MARCH 31, 2026



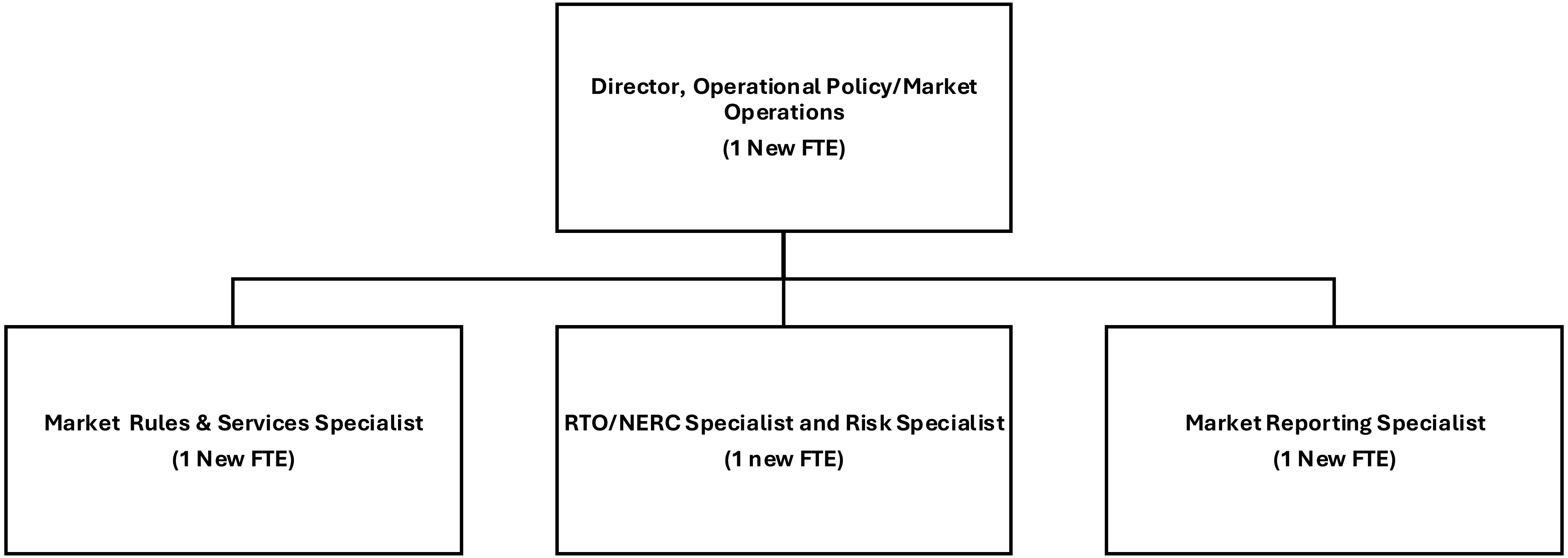
IESO-NS ORGANIZATIONAL CHART TO MARCH 31, 2026



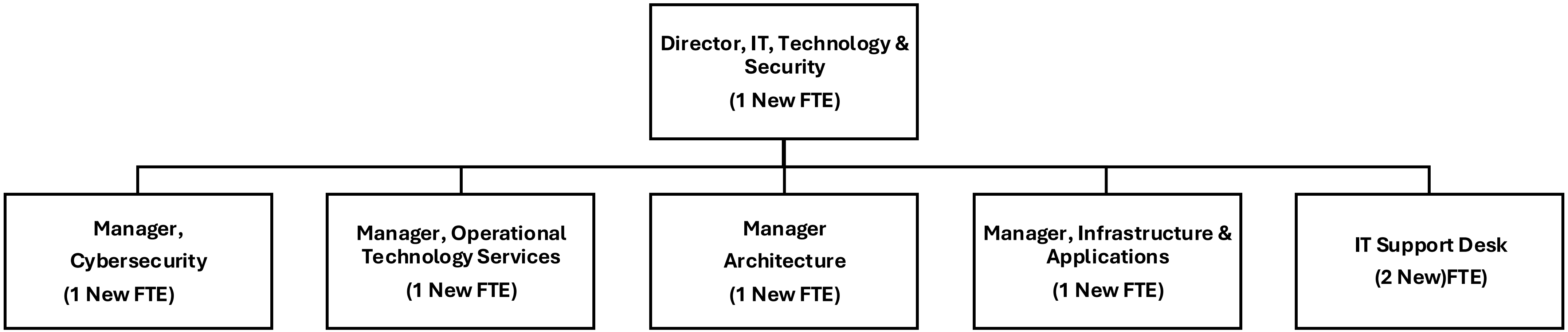
IESO-NS ORGANIZATIONAL CHART TO MARCH 31, 2026



IESO-NS ORGANIZATIONAL CHART TO MARCH 31, 2026



IESO-NS ORGANIZATIONAL CHART TO MARCH 31, 2026

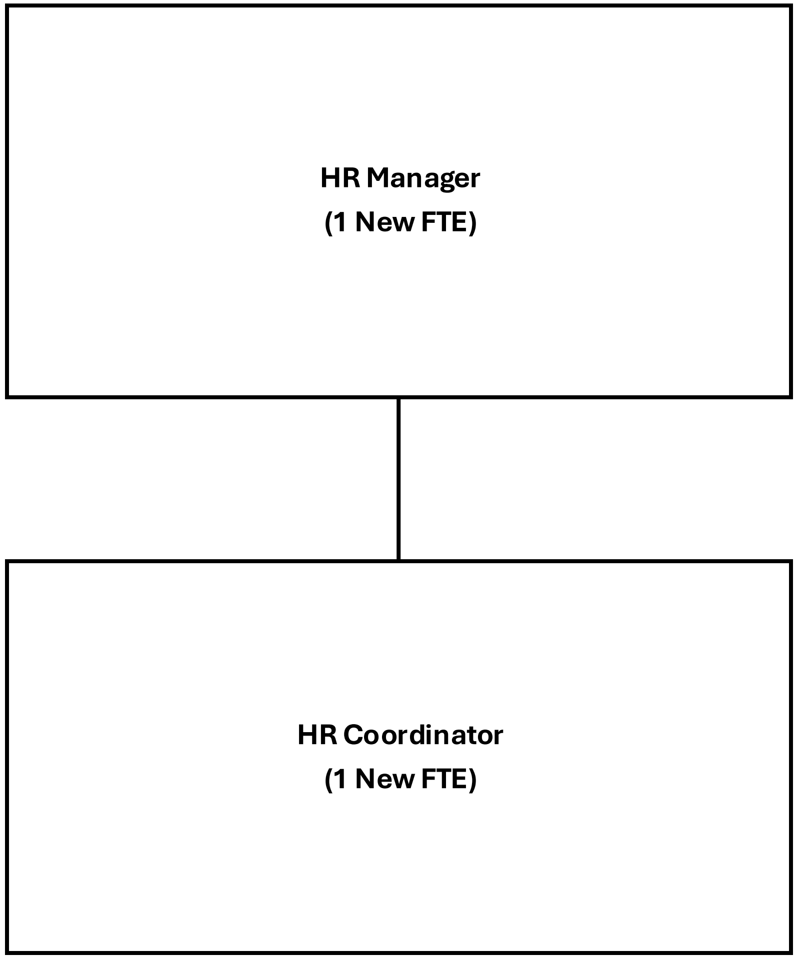


IESO-NS ORGANIZATIONAL CHART TO MARCH 31, 2026

Director, Finance
(1 New FTE)

Accounting Specialist
(1 New FTE)

IESO-NS ORGANIZATIONAL CHART TO MARCH 31, 2026



IESO-NS ORGANIZATIONAL CHART TO MARCH 31, 2026

Manager, Communications & Stakeholder Engagement

(1 – New FTE)

Engagement Specialist

(1 – New FTE)

Request IR - 14

Reference: Exhibit N-1(i), p. 18 of 36

The NSIESO notes that forecast compensation in the Administration Salaries and Wages cost category was established on the basis of several assumptions.

a) Please provide the compensation assumed in the revenue requirement for each of the positions identified in Table 6 of the application, broken down by base salary, bonuses and fringe load factors.

b) Please identify any other compensation or benefits assumed in the revenue requirement for these employees.

c) Please identify the "similar roles at peer organizations" reviewed for the purposes of these assumptions.

d) Please provide all market studies or comparators used to establish the 50th percentile for base salary and potential for annual performance bonus.

Response IR – 14

a) Refer to the attachment to Response to DGT-IR1 for the breakdown of Table 6 in Exhibit N-1(ii) p. 18 of 36. These numbers are assumed and were provided for the estimated forecast.

As the compensation structure continues to evolve, it is being contemplated that total compensation will be inclusive of Base Salary only (plus benefits, pension, vacation, etc.) but no annual bonus structure other than for the CEO position.

b) No other compensation is assumed for these positions. The 14.75% fringe load factor is inclusive of the employer portion for group benefits. Please refer to Response to DGT IR-7 c).

c) The positions are aligned with peer organizations with similar administrative functions for financial, legal, administrative, regulatory, compliance, HR, and communications/stakeholder engagement required in all energy sector, public sector, and regulated utility sectors such as NS Power, OPG, NLFD Power, AESO, and NB Power system operators. As thinking and planning for the set-up of the NSIESO continues to evolve, the administration functions required will also evolve over the next several months as we are currently in the early start-up stages.

d) The compensation philosophy and structure for the NSIESO will target the 50th percentile of the market for the roles required to be attracted and retained in Atlantic Canada. The initial estimates provided were based on scans of recruitment sites scans for similar roles within Atlantic Canada within similar size organization. These sites included Career Beacon, LinkedIn, Zip Recruiter, and Indeed, based on a point of time of open positions posted. Market information is being received, by HUB International for the three (3) senior leadership roles, and from the KBRS recruiters for the administrative roles based on comparisons with other searches of similar roles and inclusive of candidate expectations throughout the recruitment processes. A summary of compensation expectations based on the search process for qualified candidates will be provided to NSIESO during the screening and interview processes. KBRS was retained to conduct the search for the President & CEO of NSIESO. Please refer to Response to DGT-IR7 to see the information on peer comparison and market information for the CEO role.

Request IR - 15

Reference: Exhibit N-1(i), p. 19 of 36

The NSIESO notes it is forecasting $1.61 million in expenses as the portion of NS Power operational costs that will be transitioned to the NSIESO during the test period and states: "Given that the costs under this category are to pay for functions that are currently carried out by NSPI, these costs have already been approved by the Utility and Review Board and are recovered in NSPI's rates. Therefore, upon transfer, these costs do not reflect an incremental cost to customers because they represent a currently funded and continuing function."

a) Since these costs are already recovered in NS Power's rates, please explain how customers paying them again to the NSIESO as part of its revenue requirement for 2025-2026 is not an incremental cost to customers.

b) Please explain why the costs already included in NS Power's rates for these expenses is not also being transferred to the NSIESO.

c) Please explain how likely it is at this point that these employees will be transferred from NS Power to the NSIESO by October 1, 2025.

Response IR - 15

a) And b) The costs are not incremental in the sense that they have already been approved by the Energy Board. Responsibility for certain costs, in particular the employees performing the roles being transferred as part of Phase 1, will be assumed by the NSIESO upon the Phase 1 transition date. NS Power has confirmed in their pre-filed evidence in M12451 [Exhibit N-3, P. 75, lines 3-12], that it:

"has forecast costs to be removed from its revenue requirement, totaling $1.6 million in 2026 and $4.5 million in 2027, due to the transition of some current NS Power responsibilities to the NSIESO. The forecast assumes this will occur in a phased approach with a January 1, 2026 transition of responsibilities for generation interconnection requests and system planning activities and a January 1, 2027 transition of Control Centre responsibilities for the day-to-day operations of the transmission system. The timing of this transition is largely out of NS Power's control and will continue to evolve over 2025 as NSIESO Management is appointed and a transition plan is refined. NS Power plans to apply to the NSEB for recovery or refund of the difference in actual operating expense, as compared to forecast, associated with the NSIESO transition once it is complete.".

c) The current target date for the transfer of Phase 1 roles is December 1, 2025.

Request IR - 16

Reference: Exhibit N-1(i), p. 20 of 36

In the listing of positions transitioning from NS Power there do not appear to be any positions related to emergency preparedness and planning.

a) Will these positions be moved over with the commencement of the system dispatch function?

b) Is the NSIESO doing anything in advance of that time to create its own emergency response plans or will it acquire and rely on NS Power's emergency response plans?

Response IR – 16

a) The full scope of roles and responsibilities to be transferred to the NSIESO as part of Phase 2 has yet to be determined. Through the detailed planning it will be confirmed which roles are transferring and if there are any gaps which the NSIESO is required to fill.

b) The NSIESO is working with NS Power to understand multiple existing plans and processes and procedures. Where possible, existing processes will be transferred.

Request IR - 17

Reference: Exhibit N-1(i), p. 21 of 36

a) Please break down the total consulting fees into those related to the Integrated Resource Plan and each individual pre-integrated resource plan study (listed by study or modelling exercise).

b) Will the NSIESO commence its first IRP exercise by October 24, 2025? If so, please describe the planned activities respecting the NSIESO's first IRP from October 2025 to March 31, 2026.

c) When does the NSIESO expect to complete its first IRP?

d) Please describe how the coordination of NS Power's Evergreen IRP and the NSIESO's first IRP is expected to occur.

Response IR - 17

a) The breakdown of the consulting fees and scope is not known at this time and was a reasonable estimate based on consultation with NS Power. An RFP for consulting services to support the Integrated Resource Planning project has not yet been issued. Any variance from the forecast will be recorded and reconciled through the Net OM&A Deferral and Variance Account.

b) The NSIESO will commence its first IRP exercise by October 24, 2025, with the posting of an RFP to acquire consulting services to support IRP development. During the period October 2025 to March 2026, the NSIESO will: transfer staff, hardware, software and data from NSPI as appropriate; engage stakeholders for feedback; conduct detailed planning; create and publicly share a stakeholder engagement plan; and commence IRP work including development of a long-term demand forecast, assessment of the state of the current generation fleet and resource and transmission gap assessment.

c) The NSIESO has yet to complete high-level and detailed planning of activities to complete its first IRP. A typical long-term planning process takes about a year to complete. However, given the significant work to transition staff, hardware, software and data from NS Power, it may take longer. It is reasonable to estimate that the first system planning modeling results will not be available before July 1, 2026, and, subject to stakeholder engagement and feedback, the NSIESO expects to complete the first IRP exercise by the end of 2026.

d) NSIESO recognizes that NS Power has conducted power system planning exercises – including their 2020 IRP and subsequent updates including the Evergreen IRP. As NSIESO develops and executes its IRP processes, it will mindfully consider characteristics of the NS Power processes, tools, approaches and outcomes – aided by a consultant hired to support IRP development (referenced in Response to NSEB IR-17(a)).

Request IR - 18

Reference: Exhibit N-1(i), p. 23 of 36

Please provide the following as assumed in the NSIESO's requested revenue requirement for 2025-2026:

a) a director's annual retainer;

b) a director's entitlement to meeting fees and the number of meetings assumed;

c) anticipated committees and fees for each committee chair;

d) special projects assumed and associated per diems;

e) annual caps for each director;

f) assumed expenses broken down by category.

Response IR - 18

a) Each Director shall receive an annual retainer of $25,000, and the Chair shall receive an annual retainer of $70,000 (in the case of the Chair, inclusive of meeting fees).

b) The NSIESO is assuming that once the NSIESO is fully operational the full Board are anticipated to meet 5 - 7 times per year, and each committee is anticipated to meet 4 - 5 times per year. Each Board member in attendance will be remunerated $1,000 for a full day Board or Committee meeting, and $500 for a half day meeting. The Chair will not receive meeting fees.

During the initial year, in recognition of the frequency of committee meetings of shorter duration during this phase directors in attendance will be remunerated at the rate of $200 per hour for meeting time (not preparation time, up to a maximum of $1,000 per meeting day). Out-of-town directors will be remunerated $250 for each day where they are required to travel two time zones or more.

c) The Board will initially have 2 standing committees: the Human Resources and Governance Committee, and the Audit and Risk Committee. The Board on the recommendation of the Chair may establish special and ad hoc committees from time to time. The Chair of each standing, special or ad hoc committee will receive $5,000 per year for acting in that capacity.

d) During the initial fiscal year of the NSIESO ending March 31, 2026, in recognition of the extensive time that each director is committing to the organization in the start-up year, each Director will be paid a $25,000 additional stipend to recognize the additional efforts required by each Board member while the organization is being established.

e) There is an annual cap of $25,000 on meeting fees payable to any one director.

f) Expenses will typically include

   a. Flights and ground transportation
   b. Hotel expenses
   c. Meals

Request IR - 19

Reference: Exhibit N-1(i), p. 24 of 36

The NSIESO indicates that the regulatory applications include this revenue requirement application and "could include an application for approval of one of more capital applications". Please identify all regulatory applications assumed in the proposed revenue requirement, including the amount and timeline assumed for each.

Response IR - 19

The regulatory applications assumed in the proposed revenue requirement include the current application for approval of a revenue requirement for the fiscal year ending March 31, 2026, and an anticipated application for approval of a revenue requirement for the 2026/27 fiscal year. The specific capital project requirements for the NSIESO have not yet been determined, nor have the timing and amount of any required capital applications. The NSIESO will develop a policy for capitalizing the assets described in (b) as part of its holistic organizational capitalization policies, likely instituted in advance of the designation of capital assets associated with other organizational functions.

Request IR - 20

Reference: Exhibit N-1(i), pp. 25-26 of 36

Under procurement and project management, the NSIESO states:

"The costs under this cost category represent 50% of the total costs pertaining to these activities, as the NSIESO proposes to capitalize the other 50% of these costs as part of a subsequent application for approval of a capital project to support and address schedule risks with the RFP."

a) How was the 50% capitalization rate chosen?

b) Please elaborate on the "capital project to support and address schedule risks with the RFP".

c) Please provide a copy of any capitalization policy proposed by the NSIESO, or indicate whether and when such a policy may be developed.

Response IR - 20

a) The firm providing the services listed in Exhibit B-2, pages 25-26, Section F(a) Procurement and Project Management, estimated that half of the overall cost of procurement and project management services would be directly attributed to the development of the project listed in (b).

b) The NSIESO hired various consulting and environmental assessment firms to perform site development work at candidate sites suitable for hosting at least a 300MW SCCT powerplant, to de-risk the projects and advance the schedule in parallel with the RFP. These scopes enable the powerplant's construction and operation and therefore the NSIESO is capitalizing these costs, which may be included in a future capital application request to the Nova Scotia Energy Board or passed onto the successful proponent of an RFP.

c) The NSIESO will develop a policy for capitalizing the assets described in (b) as part of its holistic organizational capitalization policies, likely instituted in advance of the designation of capital assets associated with other organizational functions.

Request IR - 21

Reference: Exhibit N-1(i), p. 26 of 36

The NSIESO states:

"To reduce costs with respect to document development, these costs also include $62,500 to acquire the right to use procurement documents developed by New Brunswick Power in respect of its recent Single Cycle Combustion Turbine procurement RFP."

a) Has the NSIESO consulted with any experts to determine if the procurement documents used for the Single Cycle Combustion Turbine procurement are adequate for the purposes of the NSIESO's planned procurements?

b) Did the NSIESO consider looking for procurement documents more closely aligned with procuring energy production instead of a capital asset?

Response IR - 21

a) Yes. External experts have confirmed that the NB Power documentation is appropriate for the NSIESO's planned 300 MW RFP, as it resulted in a power purchase agreement for fast-acting capacity aligned with NSIESO's objectives. Please refer to Response to SEE IR-4(a) for additional information.

b) The procurement documentation developed by NB Power resulted in a power purchase agreement with an independent power producer for fast-acting capacity, which is very closely aligned with the outcome sought by the NSIESO for the 300MW RFP.

Request IR - 22

Reference: Exhibit N-1(i), pp. 27 of 36

With respect to the 'Technology Needs Assessment and Business Case", "Office Lease", and "Control Centre Planning", wouldn't these be better classified as one-time transition costs? If not, please explain.

Response IR - 22

With respect to both "Technology Needs Assessment and Business Case" and "Control Centre Planning", these costs as described could be considered one-time transition costs, however, these costs were classified as operational because they are the first phase of ongoing operational costs. These are Phase 1 elements of enduring costs required to manage the technology associated with NSIESO's day-to-day operations and the Control Centre. Phase 1 includes Technology Needs Assessment and Business Case, while future phases will include design and implementation. Currently the NSIESO and NSP are determining how to effectively transition these operations.

With respect to "Office Lease", this is an ongoing operational cost of office space in Halifax, NS for the Administration team. It was originally named "Temporary Office Space (Phase 1-Leasehold)", however the nature of the cost will be operational and recurring annually.

Request IR - 23

Reference: Exhibit N-1(i), pp. 27 of 36

With respect to Cybersecurity and Monitoring:

a) How were the vendors chosen to obtain quotes?

b) Has the NSIESO sought any guidance or feedback on any of the vendors from other system operators or utilities?

c) Please outline the NSIESO's understanding of its responsibilities relating to the North American Electric Reliability Corporation (NERC) reliability standards, including the cybersecurity requirements under NERC's critical infrastructure protection standards, which have been adopted by the Board for application in Nova Scotia.

Response IR - 23

a) To clarify the referenced evidence, the $0.18 million estimate for Cybersecurity and Monitoring was developed using preliminary information obtained from informal discussions with vendors experienced in cybersecurity monitoring, threat detection, incident response, and advisory services. These services are intended to support compliance with applicable cybersecurity requirements, including the North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) standards that will apply to the NSIESO once operational control transitions. The NSIESO has not yet selected a cybersecurity vendor. Vendor quotes are not yet available and will be obtained when the NSIESO goes to market to finalize costs. Any variance from the forecast will be recorded and reconciled through the Net OM&A Deferral and Variance Account.

b) The NSIESO has not formally sought feedback from other system operators or utilities on specific vendors. However, the NSIESO anticipates engaging with peer operators and regulators as it continues to develop its long-term cybersecurity posture.

c) The NSIESO understands that it will be subject to the North American Electric Reliability Corporation (NERC) reliability standards, including the Critical Infrastructure Protection (CIP) standards, which the Board has adopted for Nova Scotia.

The NSIESO recognizes that it will be responsible for demonstrating CIP compliance once operational control of the bulk power system transitions from NSPI to the NSIESO. This includes using the CIP standards to guide the development of cybersecurity controls, monitoring functions, and staffing plans. While NERC CIP standards will not formally apply until the NSIESO assumes operational control of the bulk power system, the NSIESO is incorporating these standards into its planning activities as a newly established organization to ensure readiness. Additionally, the NSIESO recognizes that it is subject to other NERC standards in Phase 1 related to power system planning and is planning accordingly. To ensure adequate capability and resourcing in its cybersecurity, IT, and operational technology functions, the NSIESO is planning to hire dedicated roles as part of its initial organizational build-out, including a Director, IT, Technology & Security and Manager, Cybersecurity. The NSIESO expects that full compliance obligations will necessitate increased monitoring, staffing, and insurance requirements, which will be addressed in future revenue requirement applications.

Request IR - 24

Reference: Exhibit N-1(i), pp. 27 of 36

With respect to Control Centre Planning:

a) Is there an option to purchase NS Power's control center from it to reduce relocation costs?

b) Has the NSIESO conducted a study or analysis of its options relating to a control centre? If so, please provide the report or analysis. If not, why not?

Response IR - 24

a) With respect to Control Centre Planning, identification and analysis of the potential options for location of the control center will be undertaken, in consultation with NS Power.

b) No studies have been conducted. As outlined in a), options analysis will be conducted in consultation with NS Power.

Request IR - 25

Reference: Exhibit N-1(i), pp. 29 of 36

Will the one-time transition costs be accounted for in separate accounts from the ongoing OM&A costs?

Response IR - 25

These one-time transition costs are non-recurring expenses incurred during the NSIESO's start-up and transition. The one-time transition costs will not be accounted for in separate accounts from the ongoing OM&A costs. The NSIESO is planning to track the one-time transition costs against their budgeted line item and any additional one-time transition costs will be tagged as such for reporting purposes.