2025 **M12412**

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: ***The More Access to Energy Act***

IN THE MATTER OF: **An Application by the Nova Scotia Independent Energy System Operator for approval of its proposed expenditure and revenue requirement for the test year ending March 31, 2026**

INFORMATION REQUESTS

To: Doane Grant Thornton (“**DGT**”)

From: The Industrial Group

Responses Due: December 9, 2025

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Issued at Halifax, Nova Scotia, this 19th day of November 2025.

Request IR-1:

Reference: Exhibit N-10 Evidence of Doane Grant Thornton, page 7.

> ***“We reviewed the Application the context of GUP. Where practices differ from GUP or standard industry practice, we have noted those differences throughout.”***

Please list and cross-reference the specific section of DGT’s evidence where practices differ.

Request IR-2:

Reference: Page 31, lines 16-30.

Preamble: In this section, DGT outlines the NSIESO's representation in the Application that supporting documentation and quotes had been obtained but in fact, certain expenses were based on generic market information and informal discussions.

(a) Does DGT have an estimate of the potential variance for these expenses? Please provide, by expense or expense category.

(b) In the absence of evidentiary support, on what basis does DGT conclude the expenses are "not unreasonable"?

Request IR-3:

Reference: Page 31, lines 25-30.

Preamble: DGT recommends implementation of minimum filing requirements including formal evidentiary support for all "significant" budget items.

(a) How does DGT define "significant"? Does this refer to the nature of the expense or the magnitude? Please explain.

(b) Apart from evidentiary support for budget requirements, what other elements does DGT recommend as part of minimum filing requirements for the NSIESO's next application? Please be specific.

(c) Is DGT familiar with standardized filing requirements in other jurisdictions with an Independent Electricity System Operator? If so, please provide a summary of the key areas, identifying any jurisdiction-specific elements that may not be appropriate in Nova Scotia, and links to those jurisdictional requirements.

Request IR-4:

Reference: Page 48.

(a) Does DGT have a recommendation on which accounting policies should be adopted by the NSIESO, i.e., US GAAP or IFRS? Is it relevant which policies are applied by NSPI? i.e., is there a benefit of consistency?

(b) As a practical matter, does it matter which is applied?

Request IR-5:

Reference: Page 49, Figure 32 – NSIESO's proposed deferral sub-accounts and Page 50.

Preamble: In summarizing NSEB IR-10, DGT paraphrases the NSIESO's Response that the costs were bifurcated into multiple accounts to enhance tracking and transparency. And additionally, the deferral sub-account was created to comply with the rule related to retroactive ratemaking and make it subject to a prudence review.

(a) Does DGT agree with the reasoning to bifurcate costs into multiple accounts? Is this the most efficient and transparent or would a single account be simpler and yield the same transparency?

(b) Does DGT have an opinion on the need for a sub-account having regard to the stated reasons? Can these objectives be achieved in any other way?

(c) Is it DGT's understanding that the proposed Net OM&A Deferral and Variance Account ("**DVA**") is time-limited or is it an ongoing DVA? Please explain.

Request IR-6:

Reference: Page 51, lines 15-23.

Preamble: DGT states that all cost categories that exceed budget should be subject to a prudence review of all costs within that category.

(a) Considering this recommendation, should the reference to "net" be removed from the proposed DVR?

(b) How and in what process does DGT contemplate that a prudence review of OM&A would occur?

Request IR-7:

Reference: Page 52, lines 4-11.

Preamble: DGT states there is currently no identified threshold for overrun or limit on the amount of costs in the DVA and that thresholds, limits, and/or specific approval requirements are key features of many regulatory deferral tools to create accountability and minimize excess and uncontrolled cost overruns.

(a) Does DGT have a recommendation on a limit? Or methodology to establish such a limit or threshold on the DVA?

(b) Is it DGT's understanding that the establishment of a deferral account and recovery from ratepayers require two separate regulatory approvals? If not, please explain.