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:	Nova Scotia Independent Energy System Operator ("NSIESO")
From:	The Industrial Group
Responses Due:	October 7, 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 16th day of September 2025.

Request IR-1:

Reference: N-01, Notice of Application, page 1, lines 15-18.

The NSIESO is in the process of scaling as an organization, including building out its executive and various business units, and coordinating the transition of certain operational functions from Nova Scotia Power Inc. ("NSPI") in a phased approach.

(a) Please clarify what "business units" are being referred to and expected for the NSIESO?

(b) Which "business units" are expected to be transferred directly from NSPI?

(c) To date, what coordination has taken place with NSPI in relation to this transfer of business, and specifically, how often are members of the NSIESO and NSPI meeting to discuss the phased approach?

(d) Have there been discussions with NSPI regarding overlapping costs with the NSIESO and/or the proposed recovery mechanism of those costs from ratepayers? Please elaborate.

(e) Is the NSIESO able to confirm, or estimate, the total costs that will be transferred from NSPI to the NSIESO in each stage of the transition? Please explain how these calculations or estimates were reached.

Request IR-2:

Preamble: The NSIESO confirms the $2.68 of public funding received from the Province of Nova Scotia, which will first be used to cover the one-time transition costs then the funds will be applied to the other O&M costs.

(a) Please confirm whether there are any conditions placed on the NSIESO in using the public funding received, and if possible, provide a copy of the contract with the Province (or any other records documenting the use or any restrictions on use) with respect to these public funds.

(b) In what scenario would the one-time transition costs, including the ramp up to the organizational capabilities and transition of responsibilities from NSPI, exceed the public funding received?

(c) The NSIESO confirmed that if the anticipated costs exceed the public funding received, then those costs would be the subject to a prudency review. In what application or process would that prudency review be completed?

(d) Does the NSIESO expect to apply for and/or receive any other grants from the government between now and full operation in 2027? Please explain.

Request IR-3:

Reference: N-01, Notice of Application, page 2, lines 3-7.

> ***The NSIESO is not yet in a position to propose a mechanism for rate recovery. It is the NSIESO's proposal to defer the approval of a rate recovery mechanism until a future application. Further, as a newly constituted corporation, the NSIESO does not have historical organizational and operational data. As a result, there may be circumstances that may not be readily foreseeable that have not formed the basis of its financial forecasting.***

Recognizing these explanations for why the NSIESO is currently not proposing the mechanism for recovery, does the NSIESO have an anticipated mode for recovery? Please elaborate and confirm when it is expected that this proposed mechanism for rate recovery will be ready to be filed with the Board.

Request IR-4:

Reference: N-01(i), Application Exhibits, page 11 - Rate and Bill impacts.

Is the NSIESO able to provide an order of magnitude for the anticipated impact to customer rates in relation to the transition to the NSIESO, either for the next application and/or when the NSIESO is fully operational in 2027?

Request IR-5:

Reference: N-01(i), Application Exhibits, page 13, lines 13-16.

> ***These costs are expected to be in the amount of $1.23M during the test period and be funded in full using $2.68M of Provincial funding. The NSIESO is not expecting the Nova Scotia Energy Board's approval for these expenses since these expenses are not forecasted to be funded by ratepayers.***

Is NSIESO suggesting that the transition costs that are below $2.68 million are not subject to the Board's review? If so, please explain why, with specific reference to legislative authority.

Request IR-6:

Reference: N-01(i), Application Exhibits, page 19, lines 5-6 and 12-14.

> ***The NSIESO is forecasting $1.61M in expenses as part of the Transitioned Operations cost category. These expenses are the portion of NSPI operational costs that will be transitioned to NSIESO during the test period….***

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.

(a) Does this mean that the NSIESO expects that there is $1.61M (and only $1.61M) in overlapping costs with NSPI in relation to the NSIESO's first year of operation? Please explain.

(b) How does the NSIESO account for the fact that these costs are already embedded in existing rates, without requiring ratepayers to pay twice (i.e., in existing rates and as part of the NSIESO costs)?

(c) Has the NSIESO validated with NSPI, and the employees themselves, the employees to be transitioned? If there are any changes to the numbers, or the roles from the assumptions, please elaborate on the reasons.

Request IR-7:

Reference: N-01(i), Application Exhibits, page 25.

With respect to procurement costs anticipated, is the NSIESO able to provide an update on the progress made with respect to competitive energy and capacity procurements, including any details on anticipated projects to be capitalized in the next three years?

Request IR-8:

Reference: N-01(i), Application Exhibits, page 28.

Please provide the actual, or anticipated, interest expense that will apply to the line of credit sought by NSIESO for the test period and confirm whether NSIESO will be seeking the same interest rate recovery in relation to its proposed Deferral and Variance Account?