Nova Scotia Energy and Regulatory Boards Tribunal

In the Matter of the *More Access to Energy Act*

- and -

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 Request

Non-Confidential

To:	The Nova Scotia Independent Energy System Operator (“NSIESO”)
From:	Doane Grant Thornton LLP
Response due by:	Tuesday, October 7, 2025
Questions:	
1.	Reference: Exhibit A-1 (page 9 of 36, line 11, Table 1) a) Please provide a copy of the underlying financial forecast document used to prepare the total OM&A expense forecast, as summarized in Exhibit A-1 (page 9 of 36, line 11, Table 1) of the Application. Preferably in excel format with all supporting calculations and underlying assumptions included.
2.	Reference: Exhibit A-1 (page 1 of 36, lines 1-4)… "This is the initial revenue requirement application of the recently constituted Nova Scotia Independent Energy System Operator (the “NSIESO”), which is for the test period ending March 31, 2026"; and, Exhibit A-1 (page 3 of 36, line 10)…"The NSIESO is a not-for-profit corporation established by the Act on October 24, 2024". a) Given the NSIESO was established on October 24, 2024 but the Application covers only the test period ending March 31, 2026, were there costs incurred prior to the test period (October 2024 - March 2025) that have not been accounted for in the forecasted amounts? If so, please provide the detail on actual costs incurred by the NSIESO up until the beginning of the test period ending March 31, 2026.

3.	Reference: Exhibit A-1 (page 5 of 36, lines 23-26)..."The NSIESO intends to pursue a phased transition of the System Operator functions from NSPI to the NSIESO, commencing with the energy procurement, system planning and transmission interconnection functions, which is anticipated to occur in Q4 2025, followed by the NSIESO – controlled grid and energy dispatch operations, in Q2 2027". a) Please provide details, such as the full transition plan (if available) for Q2 2027.
4.	Reference: Exhibit B-1 (page 13 of 36, lines 1-4)... "the NSIESO prepared its forecast using a bottom-up approach. The forecasting was informed by information that includes an organizational workplan identifying activities that the NSIESO will carry out during test period." a) Please provide the following: i) a detailed description of the process for this bottom-up forecasting methodology; and, ii) a copy of the organizational workplan used to inform this process.
5.	Reference: Exhibit A-1 (page 8 of 36, lines 14-16)… "In March 2025, the Province provided the NSIESO with a grant of $2.68M to fund the NSIESO to transition its functions from the NSPI before such time it has secured necessary funding from the rates. a) Please provide a copy of the funding agreement with the Province for the grant received by the NSIESO in March 2025.
6.	Reference: Exhibit B-2 (page 15 of 36, lines 18-20)... "the forecast expenses for this cost category are based on the NSIESO's expectation that it will require 13 employees to be responsible for executive and administrative matters" a) Please provide detailed compensation breakdowns for each of the 13 administrative employees, including base salary or hourly rates, bonuses, benefits, pension contributions, etc. and how this ties into to the forecasted Administration Salaries and Wages of $1.57 million.

7.	Reference: Exhibit B-2 (page 18 of 36, lines 3-16) a) Please provide the underlying support for the compensation assumptions used to derive the forecasted Administration Salaries and Wages, including the following: i) Details regarding the similar roles at peer organizations that were reviewed for the CEO role; ii) The market comparative data used to derive the base salary for the 50th percentile; iii) An explanation of the rationale for the 14.75% fringe rate applied to base salaries as well as evidence of how it compares to similar organizations in Nova Scotia or other Atlantic Canadian provinces; and, iv) A copy of the CRA table for 2025 used to calculate the Maximum Employer Contribution to the Canadian Pension Plan and Employment Insurance.
8.	Reference: Exhibit B-2 (page 15 of 36, line 16, Table 5) a) Were benchmarking reports used in determining the total compensation of $1.45M? If so, please provide copies of any third-party compensation benchmarking reports relied upon.
9.	Reference: Exhibit B-2 (page 15 of 36, line 16, Table 5) a) Please provide a breakdown of the $1.45 million in forecasted compensation costs. b) Please provide a breakdown of the $0.12 million in forecasted recruitment costs.
10.	Reference: Exhibit B-2 (page 20 of 36, line 15) a) Please provide a list of the 23 NSPI employees expected to transfer, including their current roles, compensation package details, and tenure. b) Have any mechanisms been established to ensure that transferred employees are not duplicating roles already budgeted under administrative staffing?

11.	Reference: Exhibit B-2 (page 19 of 36, line 16, Table 7) & Exhibit B-2 (page 21 of 36, lines 10-16)..."cost forecast also assumes that external consultants may occasionally be required to perform transmission studies, wind integration studies and storage studies". a) How were the $0.50 million in Integrated Resource Planning consulting fees estimated? b) Please provide scopes of work or contracts for these services, if available.
12.	Reference: Exhibit B-2 (page 22 of 36, lines 3-6)… "Directors Errors and Omissions Insurance: These costs are estimated for a $7 million per-claim E&O policy, based on benchmarking with other independent public agencies of a similar size in Nova Scotia. Premium quotes are expected to be finalized in August 5 of 2025". a) As support for the Directors Errors and Omissions Insurance forecast of $0.03 million, please provide the benchmarking data for the other independent public agencies relied upon.
13.	Reference: Exhibit B-2 (page 22 of 36, lines 7-9)… "General Liability Insurance: These costs are estimated based on commercial quotes for office-based operations with a $5 million occurrence limit. The NSIESO's low physical risk environment supports a modest premium level". a) As support for the General Liability Insurance forecast of $0.005 million, please provide the commercial quotes for office-based operation that were relied upon.
14.	Reference: Exhibit B-2 (page 22 of 36, lines 10-11)… "Property Insurance: These costs are to insure the leased office space and associated property. Estimates are based on standard coverage for leased commercial property". a) As support for the Property Insurance forecast of $0.005 million, please provide a copy of the standard coverage relied upon.

15.	Reference: Exhibit B-2 (page 22 of 36, lines 12-16)… "Cybersecurity Insurance: The estimate of $5,000/month for the first 10 months is intended to cover the NSIESO's initial phase of operations during the test year. This amount was estimated based on the coverage for small to mid-sized organizations handling sensitive information. More robust coverage will be needed once real-time operations begin". a) As support for the Cybersecurity Insurance forecast of $0.05 million, please provide the detail relied upon showing the coverage for small to mid-sized organizations handling sensitive information.
16.	Reference: Exhibit B-2 (page 22 of 36, lines 17-20 & page 23 of 36, lines 1-2)… "Communications Plan: These costs are to engage a senior communications consultant to develop and oversee the implementation of a public and stakeholder engagement plan, messaging framework, media strategy, aligned with the branding, website and stakeholder engagement consultant. This forecast was derived based on an estimate of 300 billable hours at $150/hour. This is based on the NSIESO's assessment of the average rates in Nova Scotia for experienced communication professionals." a) Please provide the related consultant data relied upon to arrive at the Communications Plan estimate of 300 billable hours at $150/hour. How was the 300 hour estimate determined?
17.	Reference: Exhibit B-2 (page 22 of 36, line 1, Table 9) a) What is the basis for the $0.05 million Stakeholder Engagement estimate? Please provide support for any underlying assumptions in this estimate.
18.	Reference: Exhibit B-2 (page 23 of 36, line 1, Table 10) a) Please provide the supporting calculations outlining how Board Compensation of $0.48M and Board Expenses of $0.03M were forecasted. Please provide the source of any assumptions within these calculations.
19.	Reference: Exhibit B-2 (page 23 of 36, lines 20-22)... "The costs are for travel, lodging, and meal costs for quarterly in-person meetings for the Board of Directors. This estimates $2,500 - $3,000 per meeting per out-of-province Board Member (2), with allowance for ad-hoc committee activity". a) Please provide the source and an explanation of how the $2500-$3500 estimate per meeting was determined.

20.	Reference: Exhibit B-2 (page 24 of 36, line 5, Table 11) a) Please provide a breakdown of the $0.55 million allocated to regulatory proceedings including the source of any assumptions. What portion is expected to be paid to intervenors versus internal legal support?
21.	Reference: Exhibit B-2 (page 24 of 36, lines 8-13)..."Regulatory Proceedings and Assessments: These costs include the legal support to prepare and to participate in regulatory proceedings before the Nova Scotia Energy Board during the forecast period and includes an estimate of the costs to be covered by the NSIESO for the Energy Board and certain participants. This also includes the costs that the Nova Scotia Energy Board may order that NSIESO pay for intervening parties to participate in such proceedings". a) What portion of these regulatory proceedings and assessments costs are expected to be paid to intervenors versus internal legal support?
22.	Reference: Exhibit B-2 (page 24 of 36, line 5, Table 11) a) What is the basis for the Legal and Compliance forecasted expense of $0.26 million?
23.	Reference: Exhibit B-2 (page 25 of 36, lines 1-3)…"Legal and Compliance: These costs are for advice from external legal counsel regarding legal compliance and in connection with various agreements that the NSIESO expects to develop and enter into as part of its day-to-day functions". a) What legal firms are expected to be retained, and what are their hourly rates or retainer agreements, if available?
24.	Reference: Exhibit B-2 (page 25 of 36, lines 10-17)… "Procurement: This category comprises various expenses related to the development and execution of capacity procurements to satisfy the requirements identified in the 2030 Clean Power Plan which identifies the need for 300MW of fast acting generation by 2030 as well NSPI's 2023 Evergreen IRP which also identifies the need for 300MW by 2027, with additional fast-acting capacity required shortly thereafter". a) If available, please provide the procurement strategy and expected timeline for the 300MW RFP.

25.	Reference: Exhibit B-2 (page 25 of 36, line 11, Table 12) a) Please provide the supporting calculations showing how the 300MW RFP expense of $0.36 million was forecasted, including support for any assumptions. b) What deliverables are expected from the $0.36M 300MW RFP allocation? c) Please provide the supporting calculations for how the Procurement and Project Management expense of $0.19 million was forecasted, including support for any assumptions. d) Please provide the supporting calculations showing how the Other Capacity Contract Opportunities of $0.43 million was forecasted, including support for any assumptions.
26.	Reference: Exhibit B-2 (page 26 of 36, line 22, Table 13 & page 27 of 36, lines 3-6)…"Technology Needs Assessment and Business Case: These costs are for internal asset and systems inventory reviews to be conducted by an external consultant to assess systems currently in-use by NSPI and a needs assessment for technology requirements for the NSIESO". a) What is included in the $0.50 million Technology Needs Assessment? Please provide the consultant's scope of work and estimated fees, if available.
27.	Reference: Exhibit B-2 (page 26 of 36, line 22, Table 13 & page 27 of 36, lines 9-11)…"Office Lease: These costs are to lease approximately 5,250 square foot temporary office space in downtown Halifax as of August 1, 2025. These premises are expected to house between 30-35 employees". a) Please provide support for the rental rate per square foot in downtown Halifax assumed in the forecasted $0.14 million Office Lease expense.
28.	Reference: Exhibit B-2 (page 27 of 36, line 1, Table 13 & lines 13-14)…"Cybersecurity and Monitoring: These costs are for external cybersecurity monitoring and response services, based on vendor quotes". a) What cybersecurity services are included in the $0.18M forecast? Please provide copies of the vendor quotes relied upon.

29.	Reference: Exhibit B-2 (page 27 of 36, line 1, Table 13 & lines 18-20)…"Control Center Planning: These costs are for consulting services to assess control center location options and requirements, in preparation for the NSIESO to carry out its system operations functions". a) Are the Control Center Planning expenses included in the Other Facilities and Technology of $0.5 million? b) Please provide a breakdown of what is included in the Other Facilities and Technology forecast.
30.	Reference: Exhibit B-2 (page 28 of 36, line 1, Table 14 & lines 6-8)…"The NSIESO will address the Net OM&A Deferral and Variance Account for the 2025/2026 test year and will seek a revenue requirement and a recovery mechanism in place for 2026 to 2027 to repay the line of credit to be funded through rates". a) Please provide the supporting calculations for how the Financing costs $0.10 million were forecasted, including support for any assumptions. b) What is the structure and terms of the line of credit referenced?
31.	Reference: Exhibit B-2 (page 28 of 36, line 1, Table 14 & lines 9-11)…"External Financial Audit: These costs are for services for external financial auditors, which have been estimated based on quotations from accounting firms that have experience auditing public sector organizations of a similar size". a) Please provide copies of the quotes from accounting firms that were relied upon for the $0.04 million External Financial Audit fee estimate.

32.	Reference: Exhibit B-2 (page 29 of 36, line 5, Table 15) a) Please provide the supporting calculations showing the breakdown of how the following One-Time Transition Costs were forecasted: i) HR Transition Planning, Change Management; ii) Program and Project Management, and Financial Advisory; iii) Accounting Set-Up and Bookkeeping; iv) Operational Planning and Strategy; v) Branding and Web Development; vi) Governance; and, vii) Office and Employee Technology Hardware and Software. b) Please provide support for any underlying assumptions from part (a), including any available quotes.
33.	Reference: Exhibit A-1 (page 1 of 36, lines 15-16)…"As part of this Application, the NSIESO is seeking approval from the Nova Scotia Energy Board for its ongoing OM&A expenses forecast for the test period to be $6.75M". a) If the NSIESO's actual costs exceed this forecast, what happens? Is there a threshold for overrun that would require a separate review?
34.	Reference: Exhibit B-2 (page 29 of 36, lines 2-3)..."The NSIESO received Provincial funding in March 2025 in the amount of $2.68M which the NSIESO will apply to one-time transition costs forecast to be $1.23M". a) What controls are in place to ensure that one-time transition costs do not exceed the $2.68 million Provincial funding? b) Has a plan been established for a scenario where costs greatly exceed the $1.23 million forecast?

35.	Reference: Exhibit B-2 (page 30 of 36, lines 1-3)…"if one-time costs incurred during the test period exceed the Provincial funding, the NSIESO proposes to record the unfunded amount in the Net OM&A Deferral Account". a) Is there a cap on the amount of costs that can be recovered through the Deferral and Variance Account in any given year? b) b) If on-time costs end up being less than the funding available, will the additional funding be withdrawn and taken back by the Province? If not, what is the intended use of the excess available funding?
36.	Reference: Exhibit B-1 (page 13 of 36, lines 12-20)…"The one-time transition costs are costs to transition functions from NSPI to the NSIESO and to set up the NSIESO's organizational capabilities. 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. However, if the NSIESO incurs one-time transition costs during the test period in the amount that exceed the Provincial funding of $2.68M – which the NSIESO does not expect based on its financial forecasting – the NSIESO will record the shortfall in the Net OM&A Deferral and Variance Account, and will seek to recover the shortfall in a future application, subject to a prudence review". a) What criteria will be used to determine the prudence of any future recovery of unfunded transition costs? b) What is the NSIESO's definition of a "prudence review"?

37.	Reference: Exhibit B-2 (page 16 of 36, lines 14-16)…" The following table outlines the roles expected to be filled within the Administration Salaries and Wages cost category, and are subject to change as the NSIESO builds out its management team and organizational structure". a) Please provide an organizational chart for the NSIESO showing planned staffing by role and reporting structure. b) What is the assumed organizational structure based on? What was used as the NSIESO's basis for developing this planned structure? c) What, if any, other jurisdictions have a similar organizational structure as the one assumed by the NSIESO? How does the NSIESO's organizational structure compare to industry best practice?
Copies:	2 electronic copies - 1PDF(searchable), 1 Microsoft Word
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Issued at Halifax, Nova Scotia, this 16th day of September, 2025.

Lisa Wallace

for Crystal Henwood, Clerk of the Board