Report to the Nova Scotia Energy Board

Review of Certain Credit Issues Related to the Nova Scotia Power 2026-2027 GRA

Prepared by
MPA Morrison Park Advisors Inc.

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Executive Summary

Nova Scotia Power Inc. ("NSPI") has requested approval from the Nova Scotia Energy Board for electricity rate increases for 2026 and 2027. Among many reasons for the requests, NSPI asserted that it is critical for the utility to meet a financial target that is relevant to credit ratings analysis: Funds From Operations to Debt (FFO:Debt), at a minimum level of 10%. The requested rate increases will facilitate NSPI meeting and exceeding this target.

NSPI currently enjoys a credit rating of BBB- from S&P Global Ratings, and a similar rating from DBRS. This level is the minimum that is considered "investment grade". Any deterioration of this credit rating could have significant consequences for the utility's cost of debt now and in the future, as well as limiting NSPI's access to sources of debt.

Prior to 2022, NSPI enjoyed a rating of BBB+, two notches higher than its current rating. Government decisions at that time, principally involving Bill 212, precipitated the downgrade of NSPI's credit rating. Had NSPI not had the support of its corporate parent Emera, it may have been downgraded even further at that time, to "junk" status.

Examination of the history of market trading of NSPI's public bonds suggests that the events of 2022 caused an increase in NSPI's cost of debt (i.e., its bond values declined in the market) for a period of time. However, that effect appears to have moderated since then, despite the lack of any improvement in NSPI's credit rating.

The need to at least maintain NSPI's current credit rating appears to be an argument in support of rate increases. However, the rate increases proposed appear to exceed what is necessary to merely maintain the existing rating. Instead, the requested increases appear to be consistent with an eventual improvement in NSPI's rating. The value to ratepayers of supporting an increase in rates large enough to create the conditions for a higher rating for NSPI is not necessarily obvious.

Another factor that should be taken into account is that NSPI has assumed the completion of a securitization transaction for the assets in the Decarbonization Deferral Account. If this transaction does not occur, or is delayed, then the margin for error with respect to rate-setting will get thinner. If securitization does not occur, and the requested rate increases are not approved, then NSPI will almost certainly fail a number of financial tests, and be at risk of another credit downgrade, with potentially significant consequences.

Morrison Park Advisors

MPA is an independent, partner-owned investment banking advisory firm. We primarily assist clients pursuing transactions such as mergers and acquisitions, and equity and debt capital raises. In addition, we have an extensive practice in expert advisory services, such formal valuations, fairness opinions, advice to special committees of boards of directors, advice on initial credit ratings, expert testimony before courts and regulatory bodies, policy development, and market analysis. Our ability to deliver top tier financial advisory services is based on decades of combined experience and expertise developed at some of Canada's leading investment banks, while serving many of Canada's largest and most sophisticated corporate clients, as well as federal, provincial and municipal governments and quasi-government entities. In addition, MPA is proud to be a trusted advisor to a number of Canada's First Nations with respect to their participation in economic reconciliation opportunities.

Our areas of specialty include utilities, infrastructure and power; mining; energy; financial services; real estate; healthcare and industrials. In the electricity sector, MPA has direct and recent experience on a number of transactions and other advisory assignments involving electricity assets and has detailed knowledge and experience with this market, its participants and how they operate.

Information on MPA and the team members contributing to this report is attached in Appendices A through C.

For more information on MPA, please visit our website at www.morrisonpark.com.

1. Introduction & Issues Addressed in this Report

Application of September 18, 2025

By way of formal application for electricity rates, Nova Scotia Power Inc. ("NSPI") requested that the Nova Scotia Energy Board ("NSEB") approve:

- An average rate increase of 1.8% for 2026, and
- An average rate increase of 2.4% for 2027, noting that
- Rate increases for specific customer classes will vary.

The request was accompanied by a formal package of materials and information to support the case being made.

Credit-related Issues Raised in the Application

Like all utilities, NSPI makes use of both debt and equity in its capital structure. Several issues were raised relevant to debt in the Application:

A. NSPI's credit rating is currently BBB- (from S&P) and BBB-high (from DBRS), which is at the low end of what is typical for North American utilities.[1] NSPI argues that approval of its requested Revenue Requirements for 2026 and 2027 and average rate increases for each year is critical to improving its credit ratings.

B. In addition to approval of the requested Revenue Requirement and average rate increases, NSPI also claims that improvement in NSPI's credit ratings in addition depends on satisfactory resolution of the proposed securitization of the Decarbonization Deferral Account ("DDA").[2]

C. The main mechanism through which a higher credit rating would be justified, according to this position, is the improvement in 2026 and 2027 of a cash flow metric often relied upon by credit rating agencies, the Funds From Operations to Debt (as styled by the S&P credit rating agency).[3]

D. An improved credit rating would benefit the utility and its customers because NSPI would have access to lower cost debt, which would be reflected in customer rates. The alternative, of a further decline in credit ratings, would mean higher cost debt.[4]

[1] Please see Direct Evidence, pp. 68-69.
[2] Ibid.
[3] Ibid., p. 68.
[4] Ibid., p. 69 and p. 65.

Issues Addressed in this Report

The cost of debt is an important component of Revenue Requirement, representing over 5% of the total for both 2026 and 2027.

NSPI argued in its application that a significant driver of the cost of its debt is its credit rating (more properly “ratings” in the plural, since two ratings agencies provide different ratings for the company, and each of them provides ratings for specific types of debt securities issued by NSPI). The company’s expected financial performance, which is dependent on the outcome of the GRA, is claimed to be a key driver of the rating, and hence the NSEB is urged to approve the requests in the application in order to ensure that ratepayers benefit over the long-run by the utility having access to lower cost debt. In addition, the company claims that execution of its proposed “securitization” of DDA assets is also required to continue the improvement of its finances. In order to examine these claims, this Report will review:

- The nature of credit ratings, how they are derived, how they interact with the credit markets, and how they may affect NSPI’s cost of debt;
- The recent history of the cost of debt of NSPI debt securities, as evidenced by public bond market data, in order to shed light on the relationship between credit ratings and credit markets;
- The specific ways in which approval, or not, of the application requests might affect NSPI’s credit rating, along with consideration of the proposed securitization of DDA; and
- The channels through which these credit considerations will actually affect Nova Scotia ratepayers in the coming years, and whether trade-offs between rate increases and debt costs are sensible to pursue.

2. Credit Ratings

In the most general terms, a credit rating is an independent assessment of the ability of a company or government (or any other debt issuer) to repay its debts. A credit rating is typically provided by one of several agencies who undertake rigorous analysis of a debt issuer's business environment, financial history and financial prospects. The issuer in question pays the credit rating agency to undertake the work, and then to publish the results, so that the rating can inform the decision-making of potential investors. The "rating" is typically a letter-number combination on a known scale, such as "AA", "BBB-high", or similar.

It is critical to note:

- Credit rating agencies are not themselves participants in the credit markets: they are not lenders, and make no investment decisions.
- The agencies are paid by debt issuers to undertake analysis of the issuer, but they are independent, and the perceived value of their work is dependent on maintaining widespread belief in its rigour, objectivity and consistency. Agencies therefore base their analyses on publicly available criteria, and seek to be as unbiased as possible in their views and conclusions.
- In order for the analysis to be valuable to potential investors, it must be similar to the kinds of analysis that is undertaken by sophisticated investors who are considering investing in the debt issuer's offered securities.
- Since there are a number of credit rating agencies, each with an independent methodology and point of view, it is possible that any given debt issuer may be rated somewhat differently by competing agencies, however, dramatically different ratings would be surprising (note that each agency uses a scale of its own for ratings purposes, but this point refers to differences in the substance of ratings, not just their nomenclature).

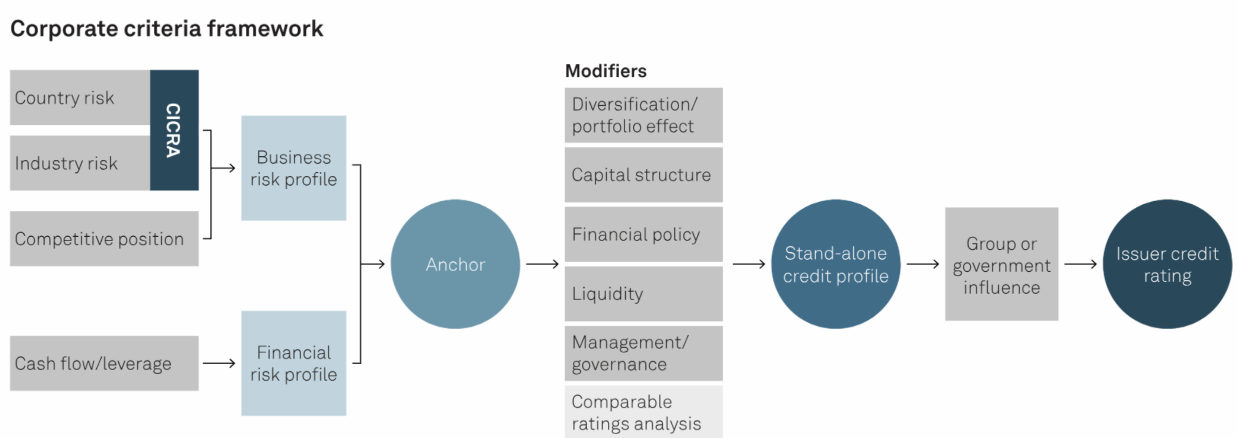
A full credit rating analysis will include hundreds of criteria, each with some sort of a scale for analytical purposes (high/low, a/b/c/d, etc.), and often cross-linked so that criteria will interact with each other to influence the final conclusion about an issuer. Some of the considerations will be concrete and numeric, being based on the reported financial results of the issuer, while others will be more subjective in nature, and consider the issuer's particular industry, the issuer's competitive position in the market, the role of government in the industry or with the issuer directly, and much more. The result of all of the analysis is typically a letter grade (such as A+, BBB, BB-high, Baa3, etc., depending on the specific scale used by each agency). Agencies often split their analysis and offer separate ratings for long-term debt and short-term debt (lasting up to one year), since different considerations will apply to these timeframes.

S&P Global, one of the larger credit ratings agencies, maintains a large library on their website of guidance documents which describe the full credit rating process that they undertake.[5] The following chart outlines the very high-level framework that is followed for "general" corporations that are issuing

[5] Please see S&P Global Ratings.

debt (noting that S&P has different criteria that are applicable to governments, financial institutions, insurance companies, infrastructure projects, and other classes of debt issuers):

Figure 1



CICRA--Corporate industry and country risk assessment. Source: S&P Global Ratings.

Within each box on the above chart can be dozens of data points and analyses. Moreover, the specific issues covered in each step, and the rating scales within each step, are also specialized based on the industry of the debt issuer in question.[6]

As noted in the chart above, the main "anchor" analysis is divided between "Business Risk" (more or less inclusive of many qualitative factors as well as analyses of the historical performance of different countries and industries, as well as the profitability and competitive position of the issuer), and "Financial Risk" (focused on past financial results and forward expectations of the specific issuer). To the uninitiated, it may seem intuitive that a credit rating will be very focused on past and future financial results, but in reality the ratings process takes very seriously the need to balance a wide variety of approaches and analyses, and is far from being purely driven by financial statements. In general, it is a mistake to be too reductive in focusing on individual criteria when thinking about how a business will be judged by ratings agencies.

[6] See for example: S&P Global Ratings - Sector Specific Corporate Methodology.

Figure 2

Combining The Business And Financial Risk Profiles To Determine The Anchor

	--Financial risk profile--					
Business risk profile	**1 (minimal)**	**2 (modest)**	**3 (intermediate)**	**4 (significant)**	**5 (aggressive)**	**6 (highly leveraged)**
1 (excellent)	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
2 (strong)	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
3 (satisfactory)	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
4 (fair)	bbb/bbb-	bbb-	bb+	bb	bb-	b
5 (weak)	bb+	bb+	bb	bb-	b+	b/b-
6 (vulnerable)	bb-	bb-	bb-/b+	b+	b	b-

The chart above makes clear that in the process of S&P, business risk analysis is equally weighted with financial risk analysis, and the starting point for a rating (which can then be modified by many additional considerations, as noted in the chart above) is the result of a two-factor matrix.

Focusing on the financial side of analysis, S&P describes seven different financial ratios that drive Financial Risk assessment. Two of these are "core ratios":

- Funds From Operations to Debt (FFO:Debt), and
- Debt to Earnings Before Interest Taxes Depreciation and Amortization (Debt:EBITDA).

In addition, there are five "supplementary ratios" that are sometimes used in the analysis, depending on the nature of the industry or issuer in question:

- Cash Flow From Operations to Debt (CFO:Debt),
- Free Operating Cash Flow to Debt (FOCF:Debt),
- Discretionary Cash Flow to Debt (DCF:Debt),
- FFO plus Cash Interest Paid to Cash Interest Paid (FFO cash interest coverage ratio), and
- EBITDA to Interest.

The description of the FFO:Debt ratio as "core" explains the attention that this calculation often receives when credit ratings are discussed. For example, in the application, NSPI presents information about its projected FFO:Debt ratio for 2026 and 2027, focusing on whether this ratio will be higher than 10%.[7] A change in this ratio can lead to movements in credit ratings, *all other things being equal*, but there are other factors which can also affect credit ratings at the same time. Moreover, in a volatile environment where several changes can occur at once, the result for credit ratings analysis should not be presupposed in any simplistic way.

[7] Please see, for example, Direct Evidence, p. 68.

Credit Ratings and the Cost of Debt

Lending arrangements are contracts between a Lender and a Borrower. Credit Ratings agencies do not participate directly in that relationship. Credit Ratings can sometimes be an important influence on the interest rate negotiated between Lender and Borrower, but the influence is neither entirely direct, nor always operative.

In purely private debt relationships, negotiated directly between two parties, it is unusual for credit rating agencies to play a role. Lenders have their own preferred credit metrics, and their analysts and credit committees seldom rely on external points of view. In any case, the cost of a credit rating agency will seldom be priced into the cost of a private credit transaction, as it would be expensive. A borrower may value the advice and insight that could be obtained from a credit rating agency's analysis, but would be unlikely to pay for a full rating exercise on top of the costs of the lending arrangement itself.

Occasionally, a borrower may be seeking a large private debt arrangement, which might involve a syndicate of borrowers participating collectively in a transaction. In these cases, a full credit rating analysis might be the best and easiest way to provide credit information to a variety of parties, making the choice of a rating process one of efficiency in both time and transaction costs.

The most common circumstance in which a credit rating is valued is when a borrower decides to participate in the public debt markets for the very first time. Public debt markets differ from private markets because the lending instrument (the "bond", "debenture", "note", etc.) is easily transferable between parties. In other words, the bond can be sold or traded between lenders, at any time after it is issued, and before it matures. The ability to sell a debt instrument is useful to investors who may be regularly manipulating their portfolio of investments, either to pursue a specific level of risk-adjusted expected returns, the timing of maturities and cash flows, the proportion of debt instruments vs. equity and other classes of investments, etc. Given the usefulness of the ability to trade public debt securities, they are highly sought, and as a result are priced at a discount to private debt instruments (or, to think about this from the opposite perspective, private debt instruments cost more/require higher rates of interest than public securities, because private debt instruments are *not* liquid).

In the case of public debt markets, credit ratings are extremely useful, because credit analysis is made easily available to the whole market of potential buyers of exchangeable debt. Issuers of public debt pay for credit ratings as a service to investors. In addition, credit ratings agencies are paid to update their analysis from time to time, so that public debt investors can benefit from the agencies' insights regularly.

Having said that, however, many large and sophisticated investors (for example large pension funds, insurance companies, private capital funds, etc.) have entire departments of analysts who track the market and the issuers of public debt, and who come to their own conclusions about credit worthiness, particularly for the issuers in which they have a direct interest. Credit ratings and the information they provide may be useful to these investors, but not particularly determinative. Moreover, given the "real time" nature of the public debt markets (where bonds are traded every day), large investors often react very quickly to news about debt issuers, rather than waiting for credit rating agencies to make announcements about new information and revised credit ratings.

It is normal, for example, to see companies with the same credit rating nevertheless issuing bonds bearing different interest rates (or for the bonds to later trade at different effective yields). Investors may make finer distinctions between issuers than credit rating agencies do (interest rates are measured in hundredths of percentage points (i.e., basis points), while credit ratings typically only have 20 levels, and the ratings of most bonds in public circulation range across 10 levels). In addition, the effective yields associated with bonds (i.e., the interest rate to maturity that is implied by the trading price of the bond) may change from day to day based on news about companies, while credit rating agencies only announce their views about companies once or twice per year. Chances are, if a credit rating agency changes its rating of a company, investors have ***already*** reacted by altering the price of the company's bonds in the market (credit ratings are therefore often "trailing indicators" of market sentiment, not "leading indicators").

In summary, credit ratings can be considered useful directional guides to the expected cost of debt for an issuer (i.e., a higher rating means lower interest rates), and changes in credit ratings often (but not always) are consistent with changes in effective bond yields in the market. However, the relationships are neither automatic nor exact.

The Special Case of "Investment Grade"

An "Investment Grade" debt security is one that is rated no lower than BBB- (or the equivalent). Securities with ratings at this level or higher are considered to have a low risk of default, to have at least "good" credit quality, and a long track record of fulfilling their debt obligations. Any lower credit rating is referred to as "junk" or "high yield", which suggests a very bright line distinction between the BBB- level and everything below it.

Many investment funds and investment vehicles are prohibited by their internal rules from investing in any debt security that is not investment grade. This means that the public debt market for non-investment grade securities is much smaller, and more expensive, than the market for investment grade securities.[8]

While the practical impact of credit downgrades or upgrades often may be questionable (for the reasons outlined above), a change from investment grade to non-investment grade (or the reverse) is quite significant.

[8] See for example the recent *Quarterly Report: US Fixed Income, 3Q25* issued by the Securities Industry and Financial Markets Association of the United States. Investment grade corporate debt issuances were reported as 3.3x the level of high yield debt. See p. 13. Available at SIFMA Research Quarterly - Fixed Income Issuance and Trading 3Q25.

The distinction between investment grade and non-investment grade applies to short-term debt markets as much as it does to bond markets. As was described in NSPI's application, when its credit ratings were downgraded in November and December of 2022, NSPI lost its automatic access to the Canadian commercial paper market.[9] In Canada, this market provides short-term debt for terms less than a year, similar to a credit line, but at lower costs. Having lost automatic access because of the downgrade, NSPI was required to apply for an exemption to reinstate its market access, which it received for a five-year term (during which it is presumed that the company would seek to improve its fortunes and have a higher rating reinstated). Should NSPI suffer another downgrade, it may be that it is completely barred from accessing this debt source.

NSPI Credit Ratings

From December 2001 to November 2022 NSPI held a credit rating of BBB+ from S&P. Referencing the "anchor" chart in Figure 2 above, during this extended period of time, NSPI was considered to have an "Excellent" business risk rating (the highest level), and a "Significant" financial risk profile, which resulted in an anchor rating of A-. As described in any of several S&P ratings reports, this anchor rating was reduced one notch to BBB+ because the utility appeared to be consistently at the low end of the FFO:Debt range within the "Significant" financial risk class, as compared to other utilities.[10]

In November of 2022, NSPI's rating was downgraded by two notches by S&P, to BBB-, a rating which it continues to have today. As reported by NSPI in the application, this places NSPI in the bottom 10% of utilities in North America. The vast majority of utilities have credit ratings of BBB+ or higher.[11]

In the November 21, 2022 Research Update[12] in which S&P reported on the downgrade of NSPI's rating, the primary cause of the ratings action was described as the enactment by the province of Nova Scotia of Bill 212, which would override the authority of the then-NSUARB, and limit the increase in electricity rates by fiat. This was described by S&P as a "political intervention" in the independence of the regulator, and caused the downgrading of the business risk profile of the utility to "strong" from "excellent". Many other factors were addressed, but the overriding issue of government policy was clear. At the same time, because of the expectation that financial results at NSPI would deteriorate based on the legislation, S&P reduced its Financial Risk rating by one category to "aggressive". The combination of these two changes results, based on the table in Figure 2 above, in a standalone credit rating of BB+, and the company would have lost its investment grade status. However, as a subsidiary of Emera, NSPI was accorded the benefit of a one notch advantage, and thus was reduced only to BBB-, instead of BB+.

[9] Please see application, p. 65.
[10] Please see for example the Ratings Direct Summary for NSPI published by S&P on January 30, 2018, available in N22(C) – NSPI (Cleary) RIRs, p. 4.
[11] Please see application, pp. 67-68.
[12] Available in the record of matter M11393, in document N-3(C) – NSPI (Bates White) RIRs, p. 16.

As of S&P's most recent report, in January of 2025,[13] the rating of BBB- was affirmed, and a specific mention was made relating to the financial risk metric FFO:Debt, such that "We could lower our ratings on NSPI over the next 12-24 months if: Financial measures deteriorated, with FFO to debt consistently below 10%, or We lowered our rating on parent Emera." It is perhaps worth emphasizing the term "consistently below 10%", in the quote above.

[13] Please see N22(C) – NSPI (Cleary) RIRs, p. 57.

3. NSPI Cost of Debt

Portfolio of Debt

As December 31, 2024, NSPI had more than $3 billion of debt outstanding. The vast majority of this debt was in the form of long-term bonds issued on the Canadian public debt markets, with maturities ranging from 2025 to 2053. The bonds were issued at different times between 1995 and 2023, and each bond pays a different rate of interest, ranging from 3.30% to 8.85%. The interest rate of each bond is fixed for the life of the bond, and was set at the time of issuance, based on the debt market conditions at the time, market perceptions about NSPI at the time of issuance, and the length of term of the bond itself (longer-term bonds normally pay higher interest rates than shorter-term bonds).

In addition, NSPI had a very small amount of short-term debt outstanding at that moment at the end of 2024. However, by its nature short-term debt fluctuates during the year, so the outstanding amount of short-term debt at any particular moment is not indicative of much. As noted by NSPI, its total commercial paper program has a limit of $800 million, and this is supported by a bank credit line of the same size. In other words, at any given time, NSPI could have nearly $4 billion of debt outstanding.

Cost of Debt

The cost of bonds to NSPI is based on the interest rate settled at the date of issuance, as noted above. This means that NSPI, and through NSPI its ratepayers, has been paying, for example, 7.45% percent interest per year on $75 million of debt issued in 2001 (until the bond matures in 2031). In July of 2001, when the bond was issued, the Bank of Canada's policy rate was 4.75%, and the Canada 30-year benchmark bond was trading at 5.98%. NSPI's bond was therefore issued at a premium over the Canada bond of 147 basis points ("bps", or 1.47%). Every bond issued by NSPI pays interest at a different rate, and the total portfolio cost is averaged for reporting purposes. It is clearly in the best interest of ratepayers that NSPI issues new debt, when necessary, at the lowest possible interest rate.

The best predictor for the cost of new issues of debt at any time (not including the transaction cost of issuance) is the current yield of tradeable debt securities of the same company. Since NSPI has many bonds in circulation, and they are frequently traded, it is possible to gather insight into the company's cost of debt at any given time. In addition, using market data, it is also possible to compare NSPI with other utilities that have large portfolios of publicly traded debt.

NSPI debt market data was gathered and analyzed for the period January 1, 2020 to November 25, 2025. Similar data was collected for two other Canadian utilities: Hydro One (a transmission and distribution utility based in Ontario), and Fortis Inc. (an electricity utility based in Newfoundland). Neither of these utilities is a perfect match for NSPI:

- Hydro One provides transmission and distribution services to its customers, but not generation. As such, it does not face the same fuel risk management issues as NSPI, nor the challenge of replacing a fleet of fossil fuel-burning generation stations. Hydro One is also much larger than NSPI. For the period 2020 to 2024, Hydro One had an S&P credit rating of A-, but it was then upgraded to A, which is its current level. As a result, it is now four notches above NSPI.

- Fortis Inc. is the parent company of Newfoundland Power, and a number of other regional utilities across North America. Fortis is a diversified utility, more comparable in size and scope to NSPI's parent company, Emera. Several of the subsidiary companies of Fortis issue bonds of their own, often as private placements, for which public data is unavailable. Fortis has been rated A- throughout the period in question, and is therefore three notches above NSPI today.

Prices for bonds were sampled at a number of points in time, always for periods of thirty days to produce 30-day averages.[14] Bond yields for the utilities were compared to benchmark Government of Canada bonds, and for the bonds of the home province of each utility. Since NSPI and Hydro One both operate within one province only, and are provincially regulated, this comparison is appropriate. For Fortis Inc., which is located in Newfoundland but has a majority of its assets and operations in many other jurisdictions, comparing yields with the province of Newfoundland is of less utility, but is included here to provide added colour on several issues.

The points in time that were sampled were:

- January 2020, before the beginning of the COVID crisis
- September 2022, before the Government of Nova Scotia announced Bill 212 to restrict the raising of electricity rates and collection of the Fuel Adjustment Mechanism in Nova Scotia
- 15 October to 15 November, 2022, immediately following the announcement of the Nova Scotia legislation, but prior to the announcement of credit rating downgrades of NSPI
- January 2023, after both S&P and DBRS had separately announced downgrades of NSPI's credit rating, and the Government of Nova Scotia had passed Bill 212
- February 2024, after the Government of Nova Scotia announced the purchase of $117 million of Fuel Adjustment Mechanism receivables from NSPI
- October 2024, after the Government of Canada announced its $500 million loan guarantee and arrangement with NSPI to resolve the remaining Fuel Adjustment Mechanism receivable that had carried over from the 2022 legislation
- August 2025, immediately prior to the filing of the current GRA, and
- 25 October to 25 November, the most recent 30 days prior to the filing of this Report.

Note that across these various points in time, NSPI's credit rating changed only once. Nevertheless, markets reacted to news as it occurred, and the yields of NSPI's outstanding bonds moved. Of course, the bond yields of the Government of Canada benchmark bonds were also moving throughout this period according to macroeconomic and political factors. This underlying movement is why the yield spread as between corporate bonds and government bonds are more relevant than the total yield of the corporate bonds.

[14] All bond data in this section sourced from Bloomberg L.P. in November, 2025. Summary data has been appended to the Report in the form of an Excel file.

Figure 3

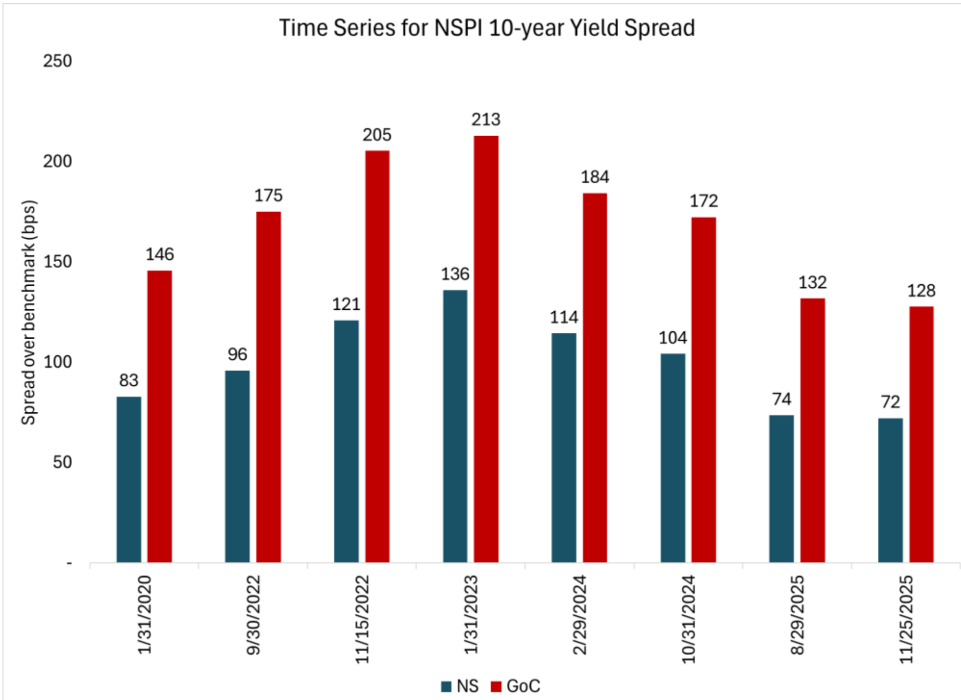
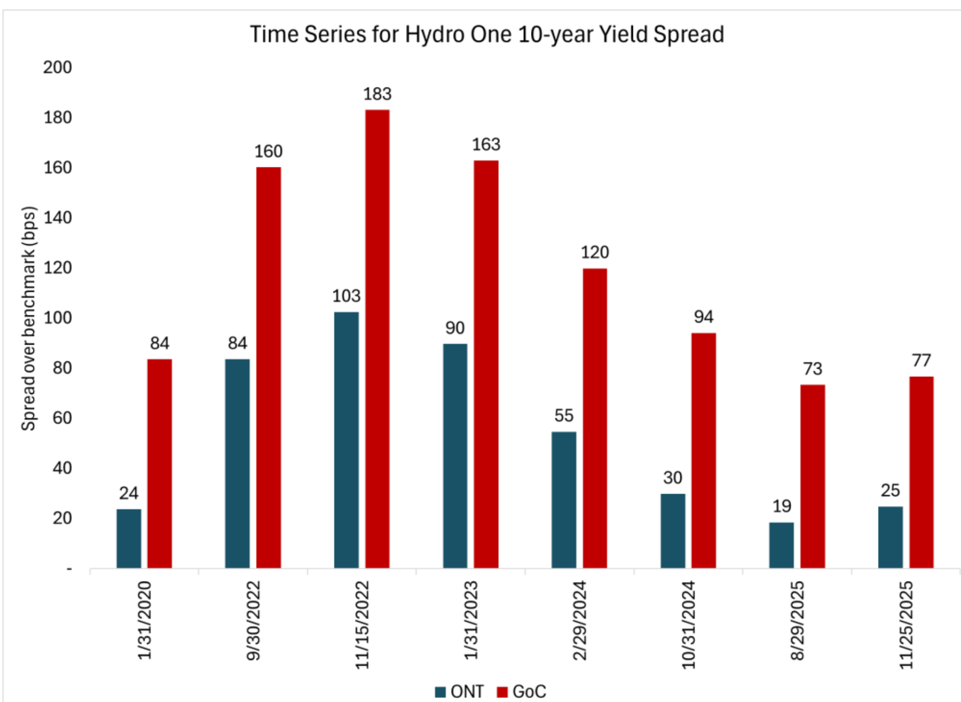


Figure 4



Presented above are the time series for both NSPI and Hydro One bonds that had a remaining term of approximately 10 years at each date. Depicted are the spread in the yield between the corporate bond and the benchmark bond for the respective home province (blue bars) and Canada (red bars).

The next pair of time series depict the yield spreads for bonds with approximately 30 years to maturity.

Figure 5

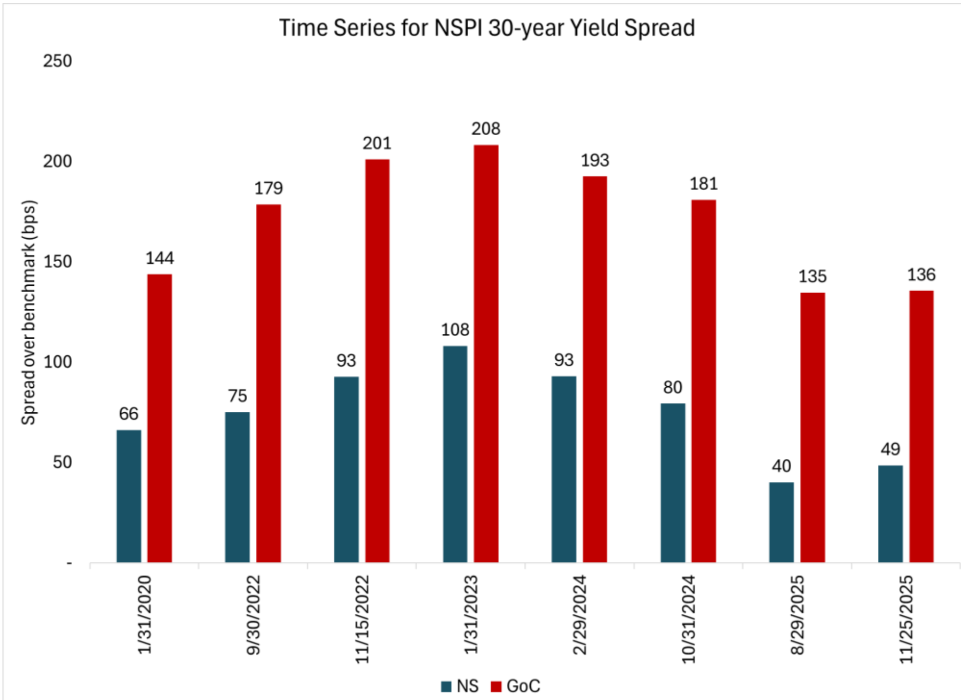
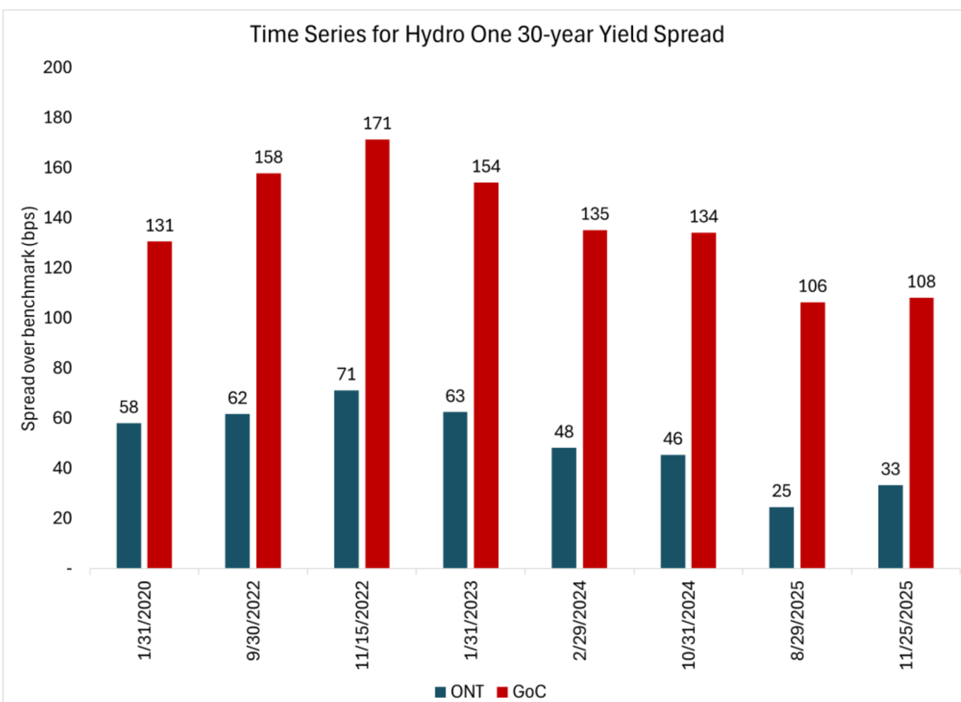


Figure 6



Several characteristics of these graphics are notable:

- The general shape of the NSPI and Hydro One graphs differ. For NSPI, yield spreads peak in early 2023, after the passage of Bill 212 and the credit rating downgrades, while for Hydro One, the peak occurs earlier, in 2022. It may be recalled that national governments in many countries, including Canada, began to increase interest rates to combat inflation in early 2022, and credit markets throughout that year were destabilized. This was likely affecting both companies, and hence they both suffer sharp increases in yields relative to benchmarks in 2022, even though Hydro One did not face similar legislation as NSPI.
- Hydro One's yield spreads compared to provincial bonds declined much more through 2023, 2024 and into 2025 than NSPI's did. Nevertheless, the NSPI bond yields *do* decline from the January 2023 peak depicted in the charts, despite the fact that no improvements in credit ratings were announced throughout this period. The various announcements about FAM arrangements with government no doubt contributed to the decline in NSPI yield spreads, as did the normalization of regulatory affairs, but in general that decline was gradual.
- The gap between NSPI and Hydro One yield spreads is not consistent over time. In 2020, Hydro One 30-year bonds had a yield spread to Ontario bonds of 58 basis points (on average for the month), while NSPI had a 66 bps yield spread to Nova Scotia bonds, for a difference in spreads of only 8 basis points between the two companies (at the time credit ratings for the companies were only one notch apart, at A- and BBB+). A similar comparison in 2023 shows a difference in spreads of 45 basis points, while by 2025 that gap had fallen back to approximately 15 basis points. It should be noted again that now in 2025 there is a four notch gap in credit ratings between NSPI and Hydro One, yet the difference in bond yield spreads compared to provincial benchmarks is modest.

All of these observations suggest that the bond market reacts to events as they occur, and processes all available information, despite the lack of changes in credit ratings, or insights by credit rating agencies. It is also clear that the concrete steps to solve problems at NSPI – such as the securitization of the stranded FAM balances – was rewarded by the markets with lower yields on NSPI bonds.

The next graphics depict the available yield data for all three companies – NSPI, Hydro One and Fortis – at specific points in time, across all bond terms with sufficient available information (i.e., if no outstanding and publicly traded NSPI bond had a remaining life of 7 years, then no comparison to government 7-year bonds is shown in the graphic).

Figure 7

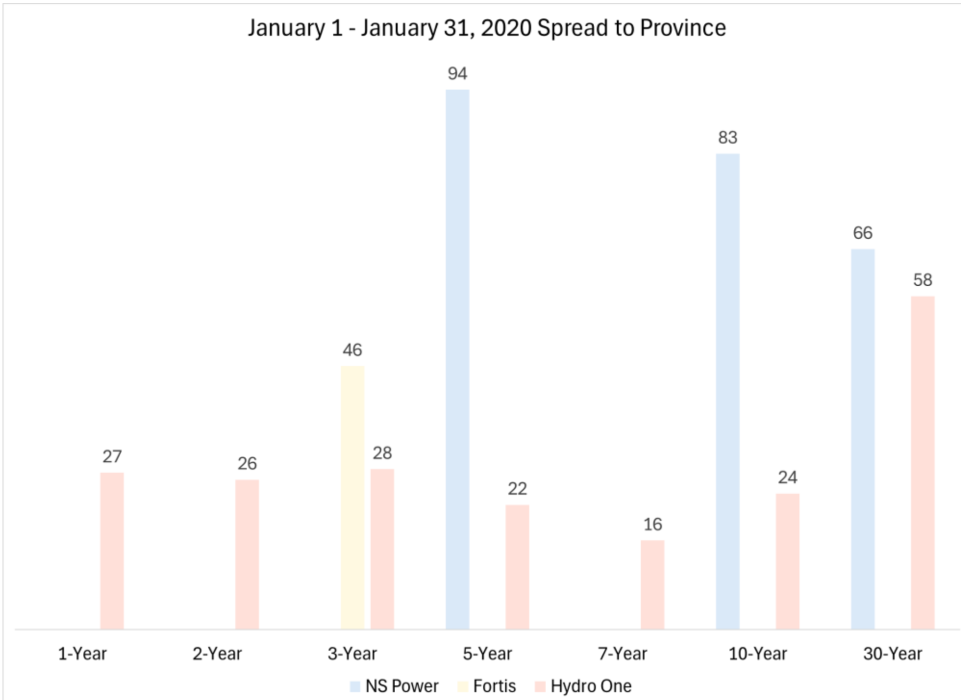


Figure 8

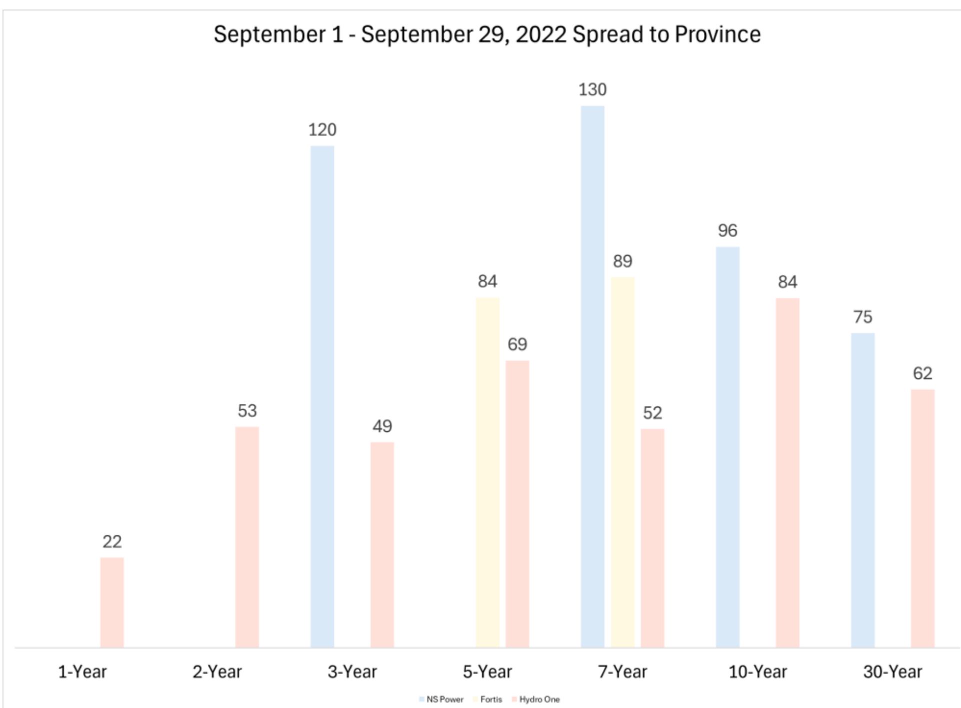


Figure 9

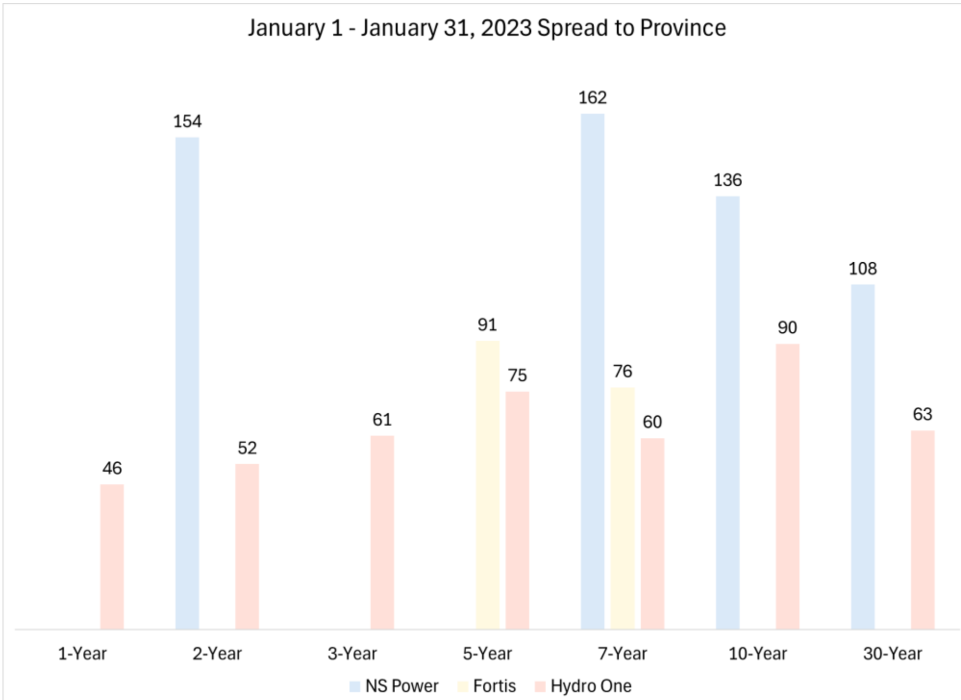
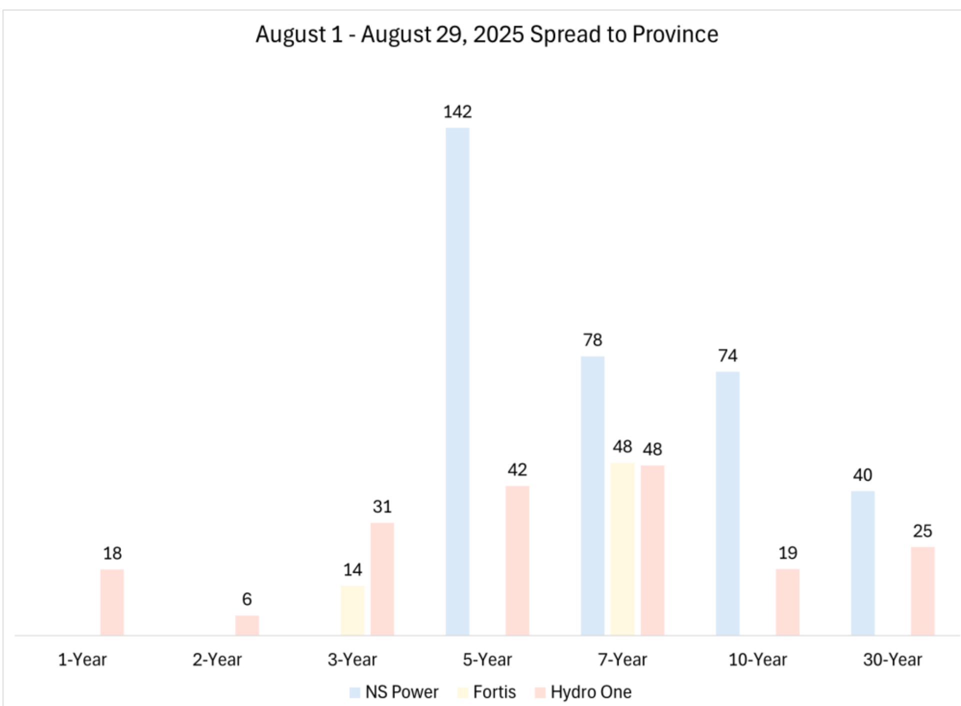


Figure 10



From this series of four graphics, it is much more readily apparent that NSPI faces higher debt costs across all maturity term lengths than either Hydro One or Fortis, and has done so throughout the past five years, including when the utility had a credit rating of BBB+, and was only one notch below Hydro

One and Fortis. In addition to having higher credit ratings, both companies are larger than NSPI, and face different risks and opportunities. Nevertheless, it is also obvious that the degree of difference between the utility yields has declined between 2023 and 2025, and in particular for the longer-term maturities of ten and thirty years. [Oddly, NSPI appears to pay the most significant penalty as compared to the other utilities for shorter terms to maturity, such as 5 years or less.]

Absent the significant danger that NSPI could be downgraded below investment grade status – which would have far-reaching affects on NSPI's access to the bond market – it is otherwise questionable whether the degree of focus on NSPI's credit rating suggested in the application is warranted. Comparative yields on NSPI debt have been drifting downwards since the high drama of Bill 212. The steps taken by both the provincial and federal governments to help solve the issue of frozen FAM balances have likely been helpful in lowering the perceived risk of the company overall, and lowering the market's perception of the "Business Risk" that is associated with it, to use S&P's parlance.

Nevertheless, NSPI is currently rated at BBB-, and any deterioration in credit rating would result in being relegated to "Junk" status. Such an eventuality would completely remove the company from a comparator group with other utilities, and would be extremely counter-productive.

4. NSPI's Requests and Associated Costs

NSPI has claimed that approval of its requests is required to prevent a credit downgrade and a consequent increase in the utility's cost of debt.

S&P has indicated that if FFO:Debt is consistently below 10%, then a downgrade (to less than investment grade status) may be imposed on NSPI. Since this would be extremely consequential for the utility and its customers (given that any increase in the cost of debt would be passed on to ratepayers), options to avoid this outcome should be considered.

NSPI has proposed in its application revenue requirement requests (and consequent changes in rates) for 2026 and 2027, which would have the effect of increasing both profit and cash flow for NSPI. At the same time, NSPI has been negotiating with the Province of Nova Scotia to give effect to a securitization transaction for the DDA. These changes, combined, would result in the achievement of an estimated FFO:Debt of 12.3% in 2026, and 12.8% in 2027. Clearly, at these implied levels of cash flow and debt, NSPI would not be in danger of a credit rating downgrade, and might instead have the opportunity to argue for an upgrade.

Securitization

NSPI has identified $704 million in the DDA as of the end of 2025 that may be securitized. The current intention is to give effect to the transaction in two parts: $500 million prior to year end of 2025, and the remaining $204 million, plus cost of capital of $12.7 million, settled prior to the end of 2026.

In response to NSEB IR-122, NSPI stated that should these transactions not proceed, but the requested rate increases are granted:

- No revenues would be added to 2026 and 2027 revenue requirements beyond what was requested in the application,
- Depreciation and WACC for the whole DDA account would be deferred,
- FFO:Debt would fall to 10.7% in 2026, and 11.2% in 2027 (from 12.3% and 12.8%).

In effect, a delay in the transaction would result in higher cash interest payments for NSPI (because there is real debt associated with the DDA assets now) that reduce funds from operations, while debt would continue to accumulate through the deferral account.

However, this scheme appears to assume that the transaction will go forward eventually, even should it be delayed for a period of time. If the securitization plan were to be permanently cancelled, then NSPI would have to recommence collecting its revenue requirement eventually, or suffer financial distress.

Since securitization must be settled with the provincial government, and is not in the immediate control of the NSEB, this issue must be considered a risk. However, on its own, failure to complete the securitization will not jeopardize NSPI's current credit rating.

Increase in Customer Rates

In response to MPA IR-001 and Cleary IR-001, NSPI presented information that allows for a like-for-like comparison of the calculation of FFO:Debt in the alternative cases of all requests granted, or not. Note that in both of these cases it is assumed that the securitization transaction goes ahead.

Figure 11

	2026				2027		
	Requests Granted	Requests Denied	Difference		Requests Granted	Requests Denied	Difference
Revenue	1985	1923	62		2039	1913	126
EBITDA	579	545	34		645	536	109
FFO	451	416	35		500	390	110
Debt	3678	3694	-16		3760	3951	-191
FFO:Debt	12.30%	11.30%	1.00%		12.80%	9.90%	2.90%

As can be seen, NSPI would be generating $188 million of incremental revenue if all requests were granted. If requests were not granted, then NSPI would be in danger of barely missing the 10% target for FFO:Debt in one of the two years.

Neither Rate Increases nor Securitization

Given the magnitude of the impacts of each of the two initiatives separately, should NSPI's rate requests be rejected and its securitization plan not bear fruit, then it would be a certainty that the 10% FFO:Debt target would be missed in both years.

5. Consequences for Ratepayers

NSPI has asserted that it is critical to maintain and ideally improve its financial results, so that it will not be in jeopardy of a credit rating downgrade, and instead will possibly in the future achieve an upgrade.

What are the practical consequences for ratepayers of this assertion? What would the consequences be for ratepayers if NSPI suffered a downgrade? Is it worth the cost of rate increases that will generate $180 million of additional revenue for NSPI over two years?

Consequences of a Downgrade

NSPI has a portfolio of more than $3 billion of long-term debt outstanding. However, as mentioned above, the interest rate on those instruments is fixed, and a downgrade would not change those. New debt issued in the future, on the other hand, would be priced according to the perceived quality of NSPI's credit at the time of issuance.

NSPI is currently forecasting a $250 million bond issue in 2027. Based on today's Government of Canada 30-year bond rates, and the recent yield spread on NSPI bonds, it could be expected that the interest rate on that bond would be under 5%. However, if NSPI were to suffer a downgrade, and no longer be an investment grade issuer, then as of today, interest on the bond would in all likelihood be at least 2.0% higher, if not more. The annual cost of that increase in interest rate on the bond would be approximately $5 million.

A downgrade would not just affect NSPI for a brief period, however. It should be expected to require years to improve a credit rating once downgraded. In the meantime, NSPI has very substantial capital spending plans in order to meet reliability and climate change goals, which will require substantial debt issuances in the coming years. Every such issuance will add to customer burdens if credit costs are higher than necessary. In addition, there is approximately $800 million of bonds that will have to be refinanced as they mature over the next 10 years.

In response to MPA IR-006, NSPI stated that the interest rate on the NS Power Battery Energy Storage Project would be penalized by 3% in the event that NSPI were downgraded from investment grade status. In addition, the Wasoqonatl Transmission project, in which NSPI is partnering with the CIB, would see an increase in the CIB's rate of interest from 1.15% to 9.00%. In essence, downgrade to below investment grade status can trigger "defaults" of various kinds, with potentially significant consequences.

Finally, as was discussed previously in this report, should NSPI lose its investment grade status, it would likely be unable to access the commercial paper market. This would result in an immediate cost of up to $8 million per year, given the need to substitute for the commercial paper program with a credit line of $800 million per year, at an incremental cost of at least 1%.

In the near term, the sum of these various cost items could reach $25 million or more per year, but also much more in the future. This may appear to be a small sum when compared to the revenue increase being requested in the application ($180 million over two years), but it should not be taken lightly, as it will simply be an initial, immediately obvious installment on costs that will only increase should NSPI suffer another credit downgrade. Avoiding a rate increase today could end up being even more expensive for ratepayers down the road.

The entirety of the proposed rate increase may not be required to support NSPI's existing credit rating. It may be possible to trim the rate increase requests marginally without placing undue risk on the credit rating. On the other hand, pursuing higher credit ratings for NSPI may not be worth the cost for ratepayers (e.g., in order for NSPI to reach 13% to 15% FFO:Debt, which would be an important element in achieving an improved credit rating, even more revenue and EBITDA is required than is contemplated today, which means even higher rates). The incremental benefit that might be achieved by a higher credit rating, in the form of slightly cheaper bond issuances in the future, may not be worth the cost to ratepayers in the form of rate increases today. In any case, as has already been noted in this report, NSPI yield spreads have been trending downwards, despite the lack of any improvement in the utility's credit rating.

6. Summary Observations

Is NSPI in danger of a credit downgrade if the requested rate increases are denied?

NSPI is currently rated by S&P Global at BBB- (with a similar rating from DBRS). This is the lowest level that is still "investment grade". Based on certain tests and metrics, it could be argued that NSPI should be downgraded further, except the support of its parent corporation Emera effectively prevents this outcome. Consistent failure to meet the cash flow metric "Funds From Operations to Debt" of at least 10% would almost certainly result in a downgrade, to junk bond status. Approval of the requested increases would result in NSPI comfortably exceeding this metric. Denial of the requests would likely lead to failure to meet the metric.

Do the potential consequences of a downgrade exceed the cost of rate increases?

The requested rate increases would result in NSPI comfortably exceeding the target metric of 10% FFO:Debt. Partial approval of the requested rate increases would result in a slimmer margin of exceedance.

A downgrade of NSPI's credit rating would have serious long-term consequences, as the company would no longer be investment grade. All new issuances of debt would be significantly more expensive than was historically the case. Immediate consequences would likely include lack of access to the commercial paper market, and the breaching of covenants in project agreements with partners like the CIB. These consequences go beyond the monetary in nature.

Should ratepayers accept rates that are high enough to result in credit rating upgrades?

NSPI had a BBB+ credit rating for over 20 years, but was downgraded to BBB- after the government of Nova Scotia introduced Bill 212, and undermined the perception of the regulator's independence. At the same time, the consequences of the policies of the day included a deterioration of the financial performance of NSPI.

The requested rate increases would return NSPI to a level of financial performance nearly consistent with its previous rating. Future rate increases that resulted in NSPI achieving a FFO:Debt of 13%+ would also certainly create the conditions for an upgrade, from a financial results perspective. However, it is not clear when the consequences of the government's 2022 policy actions will allow for an improvement in the perceived "Business Risk" of the utility. At the same time, in the credit markets, trading of NSPI securities suggests that the interest rate penalty generated by the events of 2022 may have largely dissipated, regardless of the BBB- credit rating. As a result, it is not clear that paying the financial price that will be required to improve NSPI's credit rating in the near term is necessary or advisable from a ratepayer perspective.

Appendix A – MPA Utilities Practice Overview

Morrison Park Advisors has deep experience in the utility sector, including electricity generation, transmission and distribution, as well as natural gas pipelines and distribution utilities. Both as a firm, and as individuals with prior experience, we have worked with many of the leading utilities in Canada helping them to understand and maximize the value of assets and opportunities, whether for the purpose of mergers and acquisitions, new development and construction, or balance sheet management. Given our expertise, we are often called upon to provide clients with advice in challenging situations that do not fit typical investment banking categories.

Morrison Park Advisors

- Independent, partner-owned investment banking firm established in 2005
- Co-founded by David Santangeli and Brent Walker, now twenty professionals, having completed hundreds of successful assignments with public and private companies, governments and quasi-public entities
- Value proposition is a unique combination of Tier 1 investment banking capabilities, comprehensive scope of expertise, and excellent client value
- Integrated advisory practice, covering all facets of investment banking, capital markets and Mergers & Acquisition services

Utilities Services

- Mergers & Acquisitions
- Strategic advice on market consolidation; potential investors & partners
- Financial advice on balance sheet management, growth capital, dividend policies
- Valuation
- Regulatory reviews and expert witness testimony in legal disputes

Utilities Reference Assignments

- Expert Witness to the BC Utilities Commission with respect to the cost of debt for small utilities
- Expert Witness before the BC Ferries Commission with respect to cost of capital for BC Ferries
- Expert Witness before the Muskrat Falls Inquiry with respect to the financial reasonableness of the decision to proceed with the ill-fated Muskrat Falls project
- Expert Witness before the Manitoba Public Utilities Board on the Manitoba Hydro General Rate Application for 2017/18 and 2018/19, and the 2023/24 and 2024/25 General Rate Application
- Expert Witness and consultant to the Nova Scotia Public Utilities Board on the Interim Cost Assessment for the Maritime Link
- Advisor to the Alberta Electric System Operator: Cost of capital parameters appropriate for the Cost of New Entry into the proposed Alberta Capacity Market
- Advisor to the Alberta Electric System Operator: Capital Markets and Contract Term Length in the Context of a Capacity Market
- Advisor to the Alberta Electric System Operator: Capital market consequences of transition to Coal Exit and Capacity Market
- Expert Witness for and consultant to the Public Utilities Board of Manitoba: NFAT Review
- Expert Witness for and consultant to the Nova Scotia Public Utilities Board: Commercial valuation of the proposed Maritime Link interprovincial electricity transmission line
- Report to the Market Surveillance Administrator of Alberta on the commercial viability of new electricity generation facilities in the Alberta competitive electricity market
- Advisor to British Columbia Transmission Co (now part of BC Hydro) with respect to proposed new transmission lines to the United States and Alberta
- PowerStream: financial advisor to PowerStream in its merger with Enersource Hydro and Horizon Utilities, with concurrent acquisition of Hydro One Brampton Networks, Inc., to create the new company Alectra Utilities
- City of Toronto: M&A advisor to the City of Toronto in the sale of its minority shareholding in Enwave, a district heating and cooling company in Toronto
- Altagas Utilities: independent valuation of distribution utilities for the special committee of the Board of Directors
- Milton Hydro: advice to the Board and the special advisory committee to City Council with respect to the recapitalization of Milton Hydro, its dividend policy, and potential merger, acquisition and sale opportunities
- Enwin Utilities: strategic and financial advice on balance sheet management of electricity and water utility businesses, and advice on options available to the Board with respect to potential merger, acquisition and sales
- Hydro One: financial advisor for distribution industry consolidation from 2007 to 2009; completed valuations for more than 30 utilities; conducted negotiations; strategic advisory services in managing acquisition proposals
- Advisor to an Ontario electricity distributor bidding on the purchase of a competitor (currently underway)

- Fairness Opinion to the Special Committee of the Board of Spark Power on its going-private transaction
- Fairness Opinion to the Special Committee of the Board of Synex Renewable Energy Corporation on its sale to Sitka Power

Appendix B – MPA Utilities Team

Pelino Colaiacovo

Pelino is a Managing Director at MPA, and the Head of the firm's Energy Transition & Utilities Practice. In this role he is responsible for origination and transaction execution, financial advisory and capital raising services. Since joining MPA Pelino has focused on advising clients in the energy, utilities, infrastructure and public sectors, and in addition assists clients in the Cleantech and Greentech industries.

Utility clients have included Hydro One, BC Hydro, Enwin Utilities, Oakville Hydro, Woodstock Hydro, the Nova Scotia Utilities Review Board, the Alberta Market Surveillance Administrator, and numerous others, and more broadly in the energy sector Pelino has worked on a number of M&A and capital raising assignments for renewable energy and cleantech companies.

Prior to joining MPA in 2005, Pelino was Chief of Staff to the Ontario Minister of Energy from 2003 to 2005. During that time, he assisted in significant restructuring of the Ontario electricity sector, including the drafting and implementation of new legislation, the creation of the Ontario Power Authority, and significant procurements of new electricity generation capacity for the province.

Previously, Pelino spent more than 10 years in management, policy and communications consulting in Canada and the United States, advising clients across a wide range of sectors, including energy, transportation, telecommunications, and healthcare.

Pelino holds a B.A. and an L.Lb., both from the University of Toronto.

Currently, Pelino serves as the Vice Chair of the Board of the Association of Power Producers of Ontario.

Brent Walker

Brent Walker is the co-founder and President of MPA. In this role he is responsible for transaction origination and execution, financial advisory and capital raising activities across a wide spectrum of industry and client segments, including energy, technology, government and quasi-government entities and a variety of other commercial sectors.

Utility clients have included BC Hydro, Altagas Utilities, Crown Investments Corporation, Hydro One, Market Surveillance Administrator of Alberta, the Nova Scotia Utilities Review Board, the Ontario Ministry of Energy and many others.

Prior to co-founding MPA, Brent spent over 10 years in the investment banking and financial industry. From 1996 to 2004, he was a managing director in Scotia Capital's mergers and acquisitions department, where he was the most senior M&A banker in a number of sectors including power and infrastructure, pipelines, energy midstream and real estate. During this period, he worked on the sale of the Province of Nova Scotia's interest in Nova Scotia Resources Limited, the acquisition of Aquila by Fortis, the proposed privatization of NALCOR and Enmax, and many other utility assignments.

Brent started his investment banking career at Lancaster Financial, Canada's foremost independent M&A boutique which was acquired by TD Bank in 1994.

Brent holds a B.Sc. from Dalhousie University and an MBA from McMaster University.

Sandy Mackay

Sandy Mackay is a Managing Director at MPA. Sandy has been with the firm for more than four years, and has nearly 20 years of M&A experience in investment banking and corporate development. In his role at MPA, Sandy is responsible for origination and transaction execution across all service areas, including M&A, fairness opinions/valuations, financial advisory, and capital raising assignments.

The foundation of Sandy's investment banking career was established in his six years as an Associate/Analyst at Blair Franklin Capital Partners in Toronto (January 2007-January 2013). In this role supporting the partners of the firm, Sandy gained significant transaction execution experience in buy and sell-side M&A, fairness opinions and valuations (including significant 61-101 experience), and project finance advisory mandates. Sandy had a particular focus on assignments in power and utilities at Blair Franklin.

After his time at Blair Franklin (and prior to joining MPA), Sandy held senior corporate development roles. At Peerage Capital (a Toronto-based family office) Sandy led the execution of a roll-up strategy in the real estate brokerage industry, completing six acquisitions in his time at Peerage (2018-2021). From 2017-2018, Sandy was Vice President of Corporate Development at GFL Environmental (a dual-listed waste management company) where he was responsible for M&A execution. From 2013-2016, Sandy was Director, Corporate Finance at Progressive Waste Solutions where he was responsible for M&A and corporate finance matters; Progressive Waste was sold to Waste Connections in 2016 for over $2 billion.

Sandy holds a Master of Financial Economics degree from the University of Toronto, and a Bachelor of Arts (Honours) in Applied Economics from Queen's University. Sandy is the Founder and Board Chair of the Master of Financial Economics Alumni Association..

Stephen Gibson

Stephen Gibson is an Associate at MPA, and has been with the firm for more than three years. He is responsible for execution of a wide variety of mandates, including mergers & acquisitions, capital raising, and strategic advisory assignments such as fairness opinions. He is a key member of both the Energy Transition & Utilities Practice, and in First Nations advisory assignments.

Prior to joining MPA, Stephen served an internship at the Private Equity firm Huntstone Capital.

Stephen holds a Bachelor of Commerce from the Smith School of Business, at Queen's University.

Appendix C – Statement of Qualifications & CV of Pelino Colaiacovo

Pelino Colaiacovo – Statement of Qualifications

Pelino Colaiacovo has been a Managing Director at MPA Morrison Park Advisors Inc. since 2005. As Head of the Energy Transition & Utilities Practice, he focuses on the utility, electricity and infrastructure sectors, as well as Crown Corporations and green technology more broadly. He advises corporate, government, First Nation and not-for-profit clients on mergers and acquisitions transactions, the raising of new capital, the valuation of corporations and major assets, and the financial fairness of proposed transactions or initiatives to various stakeholders. As part of this work, he has built hundreds of financial models and analyzed the financial impacts and sensitivities of scenarios too numerous to count. He tracks the view of the capital markets on initiatives and developments in the utilities, power and infrastructure sectors, and provides advice and assistance to clients that must interact with the capital markets. He regularly speaks at and participates in conferences, roundtables and industry associations with respect to energy policy development, and the likely financial impact on utility companies of new policies, technologies and financial developments. He has provided advice to several governments about energy policy.

Before joining MPA, he served as the Chief of Staff to the Ontario Minister of Energy, and was integrally involved in a large number of significant reforms to the electricity industry in that province. Prior to that he was a consultant to a wide variety of domestic and international companies and industry associations on energy and other policy issues.

Pelino appeared before the Manitoba PUB in relation to the 2023/24 & 2024/25 GRA, the 2017/18 & 2018/19 GRA, and also in 2014 as part of the NFAT process, when he provided a view on the fairness of the NFAT to Manitoba ratepayers, and also commented on the financial viability of Manitoba Hydro's plan. He has also appeared before the Nova Scotia Utilities and Review Board in 2013 on the fairness of the Maritime Link Project to ratepayers in that province, was an expert witness to the Muskrat Falls Inquiry, and has provided expert witness evidence to the BC Utilities Commission, among many other prior engagements and assignments.

Pelino Colaiacovo, Managing Director

Professional Profile

- Well-known participant in the Ontario electricity sector
- Deep understanding of the Canadian utilities, energy, infrastructure and greentech sectors
- Over 25 years of experience in investment banking, government, corporate strategy, policy development, consulting

Professional Experience

August 2005 – Present Managing Director, MPA Morrison Park Advisors Inc.

- MPA is an employee-owned independent investment bank focusing on mergers & acquisitions, capital raising, and other strategic advisory services to public and private companies, as well as governments, crown corporations, regulators and not-for-profit enterprises (note that MPA's name pre-2007 was Energy Fundamentals Group)
- As Managing Director and Shareholder, responsibilities include marketing, client origination, transaction analysis, senior counsel, and transaction execution

October 2003 – August 2005 Chief of Staff, Office of the Ontario Minister of Energy

- Most senior advisor to the Minister
- Managed Minister's staff of 12

July 1993 – October 2003 Various Positions, GPC International

- Consulting firm providing policy analysis, government relations, public affairs, public relations, corporate communications and management consulting services
- Positions held in Toronto, Ottawa and Washington DC
- Progress from junior consultant to Vice President and Practice Leader
- As Practice Leader, managed both a permanent team, as well as flexible multidisciplinary teams for individual client campaigns

Education

1993 Bachelor of Laws, University of Toronto

1990 Honours Bachelor of Arts, University of Toronto (International Relations and Economics)

Industry Involvement

Vice Chair of the Board, Association of Power Producers of Ontario

Detailed Experience

August 2005 – Present Managing Director, MPA Morrison Park Advisors Inc.

- Focus on utility and energy sector clients, and on infrastructure projects, crown corporations, and cleantech (MPA also covers mining, technology, real estate and public company M&A)
- Expert Witness before the BC Utilities Commission with respect to the cost of debt for small utilities
- Expert Witness before the BC Ferries Commission with respect to the cost of capital for BC Ferries
- Expert Witness before the Muskrat Falls Inquiry with respect to the financial reasonableness of the decision to proceed with the ill-fated Muskrat Falls project
- Expert Witness before the Manitoba Public Utilities Board on the Manitoba Hydro General Rate Application for 2017/18 and 2018/19, and the 2023/24 & 2024/25 GRA
- Expert Witness and consultant to the Nova Scotia Public Utilities Board on the Interim Cost Assessment for the Maritime Link
- Advisor to the Alberta Electric System Operator: Cost of capital parameters appropriate for the Cost of New Entry into the proposed Alberta Capacity Market
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- Advisor to the Alberta Electric System Operator: Capital market consequences of transition to Coal Exit and Capacity Market
- Expert Witness for and consultant to the Public Utilities Board of Manitoba: Commercial valuation of Manitoba Hydro’s multi-billion dollar plan to build new hydroelectric facilities and export-focused transmission lines
- Expert Witness for and consultant to the Nova Scotia Public Utilities Board: Commercial valuation of the proposed Maritime Link interprovincial electricity transmission line
- Report to the Market Surveillance Administrator of Alberta on the commercial viability of new electricity generation facilities in the Alberta competitive electricity market
- Advisor to British Columbia Transmission Co (now part of BC Hydro) with respect to proposed new transmission lines to the United States and Alberta
- Financial Advisor to CarbonFree and CC&L with respect to the sale of BrightRoof Solar
- Financial Advisor to PowerStream in its merger with Horizon Utilities, Enersource and Hydro One Brampton to create Alectra Utilities
- Financial Advisor to the City of Toronto with respect to the sale of the City’s minority interest in Enwave
- Financial Advisor to the City of Toronto with respect to the proposed financing for and development of the Tower Renewal energy conservation program
- Numerous assignments as financial advisor to electricity distribution companies with respect to financial valuations, strategic reviews and mergers & acquisition opportunities (e.g., Milton Hydro, Oshawa PUC, Woodstock Hydro, Enwin Utilities, Oakville Hydro, Hydro One)
- Numerous assignments as financial advisor to buyers and sellers of renewable energy generation assets (wind, solar and hydroelectric) and district energy facilities
- Numerous assignments as financial advisor to project developers raising capital for new energy and infrastructure projects, and/or bidding into competitive procurement processes
- Energy policy and strategy advisor to the Ontario Energy Association

- Typically, clients are Boards of Directors of public companies, or senior management of private companies or government entities
- Numerous presentations before City Councils, utility regulators, and other public bodies
- Speeches and appearances at energy conferences and roundtables, guest lectures at university courses on energy policy and utility regulation, expert opinion resource for media

October 2003 – August 2005 Chief of Staff, Office of the Ontario Minister of Energy

- Principal political and policy advisor to the Minister
- Primary liaison with the Office of the Premier and with the public service
- Managed Minister's staff of 12
- Final decision-maker for the Minister's public communication and stakeholder interaction
- Key accomplishments included:
    - Restructuring of the Ontario electricity sector through the passage of Bills 11 and 100
    - Development of a detailed plan to retire Ontario's coal-fired electricity generation fleet
    - Development of a smart metering strategy for Ontario
    - Creation of the Ontario Power Authority, selection of Board, appointment of CEO
    - New Board and senior management for Ontario Power Generation, new Board for the Independent Electricity System Operator
    - Review and approval of proposed refurbishment of Pickering A 1 nuclear unit
    - Negotiation of Bruce A nuclear refurbishment
    - Successful Requests For Proposals for new renewable energy facilities, and new gas-fired electricity generation plants

July 1993 – October 2003 Various Positions, GPC International

- Vice President and Corporate Practice Group Leader, Toronto
- Vice President responsible for integration of acquired offices in the United States, including Boston and Washington DC
- Senior Consultant, Ottawa
- Consultant, Toronto
- Focus on regulated sectors of the economy, including energy, transportation, media, healthcare and finance
- Leader of multi-disciplinary public affairs projects including policy development, government relations, media relations, stakeholder communications and polling
- Management consultant for large national and multi-national corporations with respect to public affairs