Nova Scotia
POWER
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December 22, 2025

Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax, NS B3J 3S3

Re: M12451 – Securitization Deferral

Dear Ms. Henwood:

NS Power's 2026-2027 General Rate Application (GRA) forecast includes the assumption that approximately $700 million in thermal assets will be securitized over the test period. Approval of the securitization itself will be the subject of a separate application to the Nova Scotia Energy Board (Board). This is discussed in section 9.2.1 of the GRA, which includes the following:

> If such a securitization is delayed such that it cannot be completed in whole or in part by January 1, 2026, NS Power is requesting that depreciation expense and financing costs of these assets be deferred at WACC on an interim basis.

As stated in response to NSEB IR-89(a-c), while NS Power believes it will be able to proceed with a securitization application as soon as enabling regulations are in place, it now anticipates that securitization will be in place, at the earliest, by the end of Q1 2026. As such, and consistent with the stated intent set out in the GRA, NS Power is requesting Board approval to defer the depreciation expense and financing costs of the subject assets at WACC on an interim basis until such time as securitization is in place. As confirmed in response to NSEB IR-89(d), NS Power is proposing to add the deferred costs to the balance being securitized. NS Power anticipates that any assessment of the amount of deferred costs to be added to the securitized balance would be assessed by the Board as part of the application to approve securitization.

NS Power has discussed this request with customer representatives, but they have not provided their confirmed positions on the matter.

Yours truly,

Blake Williams
Senior Director, Regulatory Affairs