NS LIBERAL CAUCUS

January 30, 2026

Nova Scotia Energy Board
3rd Floor, Summit Place
1601 Lower Water Street
Halifax, Nova Scotia B3J 3P6

Closing Submission Re: Matter M12451

Members of the Board,

Thank you for the opportunity to make closing submissions regarding Nova Scotia Power's general rate application. At the outset of this hearing, the Nova Scotia Liberal Caucus urged the Board to assess Nova Scotia Power's Application in its full context. The Board must consider Nova Scotia Power's repeated requests for rate increases, while delivering unreliable power to Nova Scotians. We continue to urge the Board to minimize this rate increase however it can.

Nova Scotia Power attempted to rush through this application as quickly as possible. On January 9th, Nova Scotia Power's senior director of regulatory affairs, Blake Williams testified that by April 2025, the utility was aware that existing revenues could not sustain operations in 2026 and 2027, and completed cost of service, depreciation, and cost of capital studies. Despite that knowledge, Nova Scotia Power chose not to file its General Rate Application at that time, allowing costs to continue to accumulate before returning to the Board with a larger request. The consequence of that decision is borne entirely by customers.

Nova Scotia Power has done little to minimize this application's impact on residential customers. The Board heard that the Utility's use of a minimum system method to determine cost of service significantly increases rates charged to residential consumers, compared to alternatives like the basic customer method. Switching to a basic customer method to determine cost of service, as recommended in a recent decision in Connecticut (Exhibit N-44), could reduce the increase faced by customers.

As the Board is aware, this application follows significant residential rate increases approved in 2022, increases through the fuel adjustment mechanism in 2024, and an additional storm cost-recovery rider approved later that same year. Now, Nova Scotia Power seeks an 8% increase over the next two years. The Board must use every tool possible to reduce the increase for residential customers. Nova Scotians cannot continue to pay more for unreliable power.

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The testimony in this hearing confirms that customers are suffering under these increases, falling into arrears, struggling with payment plans, and facing disconnections. There is no meaningful pause between increases, and no opportunity for households or businesses to regain financial stability before the next rate increase arrives. Nova Scotia Power acknowledged the growing importance of its low-income advocate and arrears management programs, reflecting the reality that a significant portion of customers are struggling to pay.

It is clear that Nova Scotia Power cannot continue with serial, reactive rate applications. The utility demonstrated that it is capable of multi-year forecasting through its cost-of-service, depreciation, and capital planning evidence. The Board, for its part, has explicit authority under Section 64A(2B) of the Public Utilities Act to order staged or multi-year general rate increases. We encourage the Board to approve five-year rate increases moving forward, to provide stability and predictability for customers.

The Board also heard evidence concerning billing instability following Nova Scotia Power's cybersecurity incident. Customers received inaccurate estimated bills, delayed corrections, and limited clarity regarding when adjustments or refunds would be issued. Nova Scotia Power acknowledged that its high-bill detection and response processes were impacted, and committed to improving their billing system as part of undertaking U-23. We continue to hear from customers impacted by this breach, and encourage the Board, through this hearing and its own review, to hold Nova Scotia Power accountable for these actions.

Nova Scotia Power's reliability performance remains below Board-approved standards. The utility has failed to meet its reliability targets for multiple consecutive years, resulting in repeated penalties without corresponding improvement in service outcomes. Outage frequency and duration continue to exceed approved targets, year after year. That context matters when assessing whether additional rate increases are just and reasonable.

The Caucus submits that the record demonstrates a consistent pattern: planning delays, forecasting errors, and risk are repeatedly transferred to customers, rather than being constrained through regulatory structure. These are not isolated issues tied to a single rate application, but persistent, systemic problems reflected throughout the evidence on planning, reliability performance, billing stability, and risk allocation.

For that reason, our Caucus believes that an independent, comprehensive review of Nova Scotia Power's operations, governance, and long-term planning is warranted. Such a review would provide transparency, restore public confidence, and ensure that future rate applications

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are grounded in credible planning, accountability, and service outcomes, rather than repeated transfers of risk to customers.

We urge the Board to minimize the requested rate increases and exercise its statutory authority to move Nova Scotia toward a five-year rate plan that delivers stability, predictability, and fairness for ratepayers. Nova Scotians deserve an electricity system that is reliable, affordable, and planned. Ratepayers cannot repeatedly absorb the consequences of Nova Scotia Power's poor management.

Sincerely,

Iain Rankin
Interim Leader
Nova Scotia Liberal Caucus

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