Nova Scotia Energy Board

IN THE MATTER OF *The Public Utilities Act,* R.S.N.S. 1989, c.380, as amended

M12451

Nova Scotia Power Inc. 2026-2027 General Rate Application

Nova Scotia Power
Reply to Compliance Filing Comments

April 27, 2026

NON CONFIDENTIAL

On March 25, 2026, the Nova Scotia Energy Board (NSEB, Board) released its decision in Nova Scotia Power Inc.'s (NS Power, Company) 2026-2027 General Rate Application (GRA). In its decision, the Board directed NS Power to file its Compliance Filing within two weeks of the date of the decision. NS Power filed its compliance filing on April 7, 2026. The Board issued seven Information Requests to NS Power on April 9, 2026 which related to the process for implementing the new rates for customers. NS Power filed its responses to those IRs on April 16, 2026, following which intervenors had a week to file any comments on the compliance filing. Comments from the Consumer Advocate (CA), Small Business Advocate (SBA), the Industrial Group (IG), and the Nova Scotia NDP Caucus were received on April 23, 2026. What follows is NS Power's response to those comments.

The comments received from electricity customer representatives (the CA, SBA, and IG) all confirm that, based on the review of those representatives, the Compliance Filing is consistent with the Board's decision and directions contained therein.

In response to the comments filed by the NDP Caucus, NS Power relies largely on section 2.0 of its Reply Submissions, filed in this proceeding of February 2, 2026.

Reply to Billing Directive Comments

As a starting point in providing these comments regarding the Board's Billing Directive, it is important to reiterate that proration is not NS Power's "preferred" method. It is the only method currently available and is the method used across Canada by electric utilities, even those with AMI and advanced CIS. This is because more precise methods are either not feasible or come at a significant additional cost that far outweighs any potential impacts. As NS Power confirmed in its response to Compliance Filing IR-5, implementing an alternate approach to proration within the current Customer Information System may not even be possible, but, if it were, it would require significant system changes, with associated complexity, lead time, and additional capital costs of at least $600,000 and $400,000 in OM&G costs.

In providing their comments, the CA and SBA both acknowledge this point and support the use of proration for billing purposes in this matter, while the IG has taken no position.

More specifically, the SBA supports "the use of proration for this matter but an intentional upgrading of the CIS to eliminate the need for proration in the future". In response to this, NS Power reiterates the commitment it made in its Compliance Filing:

> As part of the development of the CIS replacement project, the Company will undertake to assess the feasibility of adding the functionality required to apply changes to rates across billing periods to actual customer consumption. Until this work is completed and the associated capital project is brought before the NSEB for the Board's approval, the Company proposes to retain the existing proration methodology.[1]

In providing its comments, the CA suggested that prorating of the new rates for billing purposes could start some period of time after their effective dates. The CA stated that such an approach would mitigate the Board's concerns. However, as detailed in NS Power's responses to the Compliance Filing IRs, the Board's concerns have already been mitigated and addressed by NS Power's work to return its billing processes to normal, as well as the delay in the effective date of the rate increase until the conclusion of the Compliance Filing and the extension of the Compliance Filing process by the introduction of an IR process. An appropriate balance must be struck between the Company, its customers[2] and, as the SBA stated in its comments, between accuracy, cost effectiveness, and customer impacts. Further delay of a rate effective date does not strike such a balance.

Reply to Compliance Filing Comments

NS Power confirms that the percentage change in rates for the SBA's three rate classes is consistent with the Board's directive and they vary from the Settlement Agreement due to the Board-ordered

[1] M12451, Compliance Filing, p 28, lines 11-18.
[2] 2024 NSUARB 116, paragraph 98

reduction in OM&G and Fuel and Purchased Power costs as well as the load-carrying capacity adjustment. This can be ascertained by comparing the percentage rate increases to the three rate class tabs in Figure 14-1 of the GRA, OR-01 Att 1.

The IG notes that the Board approved 2026 rates effective the date of the Final Order, while NS Power's compliance filing assumed an April 30, 2026 effective date for incorporating Maritime Link transmission assets into rate base. The IG cautions that if the final order is issued after that date, NS Power will need to ensure the correct net book value (NBV) is used when adding the assets to rate base. The IG states that while the immediate depreciation impact in 2026 may be minimal, any misalignment in the in-service date could carry forward and compound over time through the depreciation schedule.[3]

NS Power confirms that it will include the remaining NBV of the Maritime Link transmission assets in rate base as of the effective date established by the Board in its final order. If the effective date occurs later than assumed in NS Power's compliance filing, this will not affect NS Power's future rate base or future depreciation expense. Rather, it would result in a greater portion of 2026 depreciation expense being recognized as a shareholder expense. Accordingly, there is no risk of compounding impacts on customers arising from the timing of the effective date.

Conclusion

NS Power thanks the parties who have engaged in this process from the outset for their continued and constructive participation. The electricity customer representatives who provided comments on the Compliance Filing have been involved throughout and have raised considerations that appropriately reflect the inherent trade-offs, risks, and offsets associated with the GRA before the Board. Their input has been carefully considered and addressed where appropriate.

[3] IG Comments on NS Power Compliance Filing, April 23, 2026.