M12451

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: **THE PUBLIC UTILITIES ACT**

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IN THE MATTER OF: **A GENERAL RATE APPLICATION** by **NOVA SCOTIA POWER INCORPORATED** for approval of certain revisions to its Rates, Charges and Regulations

INFORMATION REQUESTS

To: **Blake Williams**
Senior Director, Regulatory Affairs
Nova Scotia Power Inc.
By email: blake.williams@nspower.ca

From: Board Counsel Consultant - **Emrydia Consulting Corporation**

Responses Due: **Wednesday, November 5, 2025**

Copies: 1 electronic copy (PDF searchable) and, if applicable, Excel files

Contact Person: Dustin Madsen

Email: dustin@emrydia.com

Issued at Halifax, Nova Scotia, this 20th day of October, 2025.

Crystal Henwood

Crystal Henwood, Clerk of the Board

Note: Unless otherwise stated, all depreciation related requests are directed to Gannett Fleming. However, if NS Power has additional information to provide, then that information would be appreciated.

Request IR-1:

Please provide all property data utilized in the depreciation study, including, but not limited to, additions, actual observed retirements, simulated retirements, transfers, sales, adjustments, cost of removal, and salvage data. Please provide this information in Excel format with formulae intact where applicable. Please also ensure the following additional information is provided for each account, where applicable:

a) Please provide this data by account, placement, and experience year since the date of inception.
b) Please provide all survivors for each account as of the study date.
c) Please include all transaction codes and a description of each transaction code.
d) Please also provide a description of any production unit / group / location codes if applicable.
e) Please provide a description or legend for each account number.

For clarity, this data should allow for the reconstruction of the analysis and calculations performed as part of the depreciation study in order to verify the reasonableness of those calculations.

Request IR-2:

Please provide for each account a copy of all Iowa curves, including square curves, studied against the plotted retirement data and the recommended curve for each account as well as the calculated residual measure or conformance index (i.e. the least squares solution of the differences between the stub curve and the Iowa curve) for each of the curves studied.

Request IR-3:

Please revise Table 1 included in the Gannett Fleming Study to include the following additional information and provide the same information in a working Excel spreadsheet. To the extent the data is generated from a proprietary model, then provision of the data in a simple Excel spreadsheet without formulas intact would be acceptable. However, to the extent possible, please provide all relevant inputs relied upon to support the derivation of each amount so that the same calculations can be reperformed:

a) Separate the book reserve column into the portion of reserve attributable to life and net salvage.
b) Add two additional columns that reflect the calculated accumulated depreciation reserve for each of the life and net salvage component of depreciation expense.
c) Calculate the total difference between the book and calculated accumulated depreciation reserve for each account.
d) The separate derivation of the recovery of any reserve difference using the remaining life technique for each account.

Request IR-4:
Using the information provided in response to IR-3, please prepare a separate reconciliation for each account in an Excel spreadsheet showing the amount of depreciation and net salvage proposed to be recovered under the remaining life technique and the amount of depreciation and net salvage that would be recovered under the whole life technique.

Request IR-5:
Please provide the same information requested in IR-3 and IR4 based on the Average Life Group procedure. Please separately state all assumptions made in the derivation of the Average Life Group amounts, including but not limited to, any assumptions regarding the recovery of any reserve surplus or deficiency, and any other changes made by Gannett Fleming.

Request IR-6:
Please revise all calculations performed by Gannett Fleming in Section IX of the depreciation study to reflect the Average Life Group procedure and the whole life technique. As part of the calculation, please also include the recalculation of net salvage for each account using the same assumptions relied upon by Gannett Fleming and state any assumptions made by Gannett Fleming in respect of the amortization of any difference between the calculated and book accumulated depreciation reserve.

Request IR-7:
Please revise all calculations performed by Gannett Fleming in Section IX of the depreciation study to reflect the Average Life Group procedure and the remaining life technique. As part of the calculation, please also include the recalculation of net salvage for each account using the same assumptions relied upon by Gannett Fleming and state any assumptions made by Gannett

Fleming in respect of the amortization of any difference between the calculated and book accumulated depreciation reserve.

Request IR-8:

Please revise all calculations performed by Gannett Fleming in Section IX of the depreciation study to reflect the Equal Life Group procedure and the whole life technique. As part of the calculation, please also include the recalculation of net salvage for each account using the same assumptions relied upon by Gannett Fleming and state any assumptions made by Gannett Fleming in respect of the amortization of any difference between the calculated and book accumulated depreciation reserve. Finally, please provide a comparison by account of the results compared to the Equal Life Group – remaining life proposals included by Gannett Fleming, and explain in detail all differences that exist from the ELG – remaining life technique calculations performed by Gannett Fleming, if any.

Request IR-9:

Please confirm that the retirement data relied upon by Gannett Fleming in its study includes simulated survivor data used to determine aged retirements. If not confirmed, please explain. If confirmed, please provide copies of each Iowa curve studied by Gannet Fleming against the known retirement data (i.e., excluding all simulated retirement data) for each account, including the residual measure or conformance index for each curve studied.

Request IR-10:

Further to the request in IR-9, please confirm the date that NS Power began tracking actual retirements for each account and from which date simulated retirements were embedded in the retirement data.

Request IR-11:

Please provide a detailed description of each change in life curve and net salvage estimate proposed in the current depreciation study relative to the previously approved life curve and net salvage estimate. As part of the response, please explain in detail the reasons why each change was made and outline or provide copies of all evidence or analysis performed to support the change proposed. If Gannett Fleming determines that no further information beyond that included in the depreciation study was relied upon to support the proposed changes, then please state that fact.

Request IR-12:

Please provide copies of all management notes prepared or obtained by Gannett Fleming, including all notes developed from prior depreciation studies, broken down by each of the accounts studied with the current depreciation study. As part of your response, please include notes prepared both from discussions with management and as part of field trips, in addition to any other notes taken by Gannett Fleming.

Request IR-13:

Please provide a copy of all peer data considered by Gannet Fleming for each account studied as part of the depreciation study. Further, for each peer, please fully explain why Gannett Fleming considers that the utility has comparable operations to NS Power to be considered a peer. Finally, please further amend the peer data to include all other Canadian utilities known to Gannett Fleming, as well as all Northeastern United States utilities, and explain in detail why each utility was excluded from the peer group analysis conducted by Gannett Fleming.

Request IR-14:

Please provide a copy of the most recently filed and most recently prepared integrated resource plan, or equivalent analysis.

Request IR-15:

Please provide a reconciliation and detailed explanation of any differences between the expected useful lives set out in the most recent integrated resource plan (or equivalent analysis), the most recently filed integrated resource plan, and the applied for depreciation lives, on an account-by-account basis.

Request IR-16:

Please provide copies of all previously filed depreciation studies.

Request IR-17:

Please describe all changes that have been made to the depreciation system or methods employed relative to the current depreciation study and the previously approved depreciation study.

Request IR-18:

Please prepare a table, by account, showing how the applied for and approved lives and net salvage rates have varied from each depreciation study since the inception of NS Power. Please also briefly describe why any such changes in life or net salvage parameters were proposed.

Request IR-19:

Regarding the use of the ELG procedure, please confirm whether NS Power has always applied the ELG procedure or if the procedure was adopted at some specified time.

Request IR-20:

Regarding the placement and experience bands chosen for the analysis of each account, please explain why such bands were chosen and if any other bands were considered for conducting depreciation analysis. If any other experience or placement bands were analyzed, please provide the results of that analysis.

Request IR-21:

Please state whether the recorded vintage years of retirement have been modified in the historical data used to conduct the depreciation study. If so, please specifically identify such modifications by account, and provide all justification and support for the same.

Request IR-22:

Please state whether any historical retirement data has been adjusted or excluded from net salvage value calculations and analysis, and if so, please provide all details and support.

Request IR-23:

The following request is directed at NS Power. Please provide all internal management analysis and study of the expected useful lives and salvage costs of each asset and a full description of the factors influencing the retirement of each asset.

Request IR-24:

The following request is directed at NS Power. Please describe and provide copies of all management plans, including but not limited to any future replacement, reinforcement, refurbishment, or similar project that may impact the expected future life of each account. If nothing is known for a specific account, please state that fact.

Request IR-25:

The following request is directed at NS Power. Please describe and provide copies of all decommissioning studies relied upon to support or inform the net salvage estimates of each account, including any internal management analysis regarding the same. Please further explain how the results of those studies vary, by account, from the recommendations contained in the Gannett Fleming report.

Request IR-26:

The following request is directed at NS Power. Please provide the Company's own internal engineering estimates of the expected useful lives and net salvage rates for each account, including all analysis and evidence relied upon by the Company to support those estimates. For clarity, this request does not seek life curves, but rather the Company's own operational life expectations and expected salvage costs (i.e., proceeds less cost of removal) for each asset.

Request IR-27:

The following request is directed at NS Power. Using the recalculated depreciation rates provided by Gannett Fleming based on the following scenarios, please recalculate the Company's annual applied for depreciation expense, for each of 2026 and 2027, and provide the revised monthly calculations in a working Excel file with formulas intact:

a) Average Life Group, whole life technique.
b) Average Life Group, remaining life technique.
c) Equal Life Group, whole life technique.

Request IR-28:

At page 41, lines 9 to 13 of the GRA Application, NS Power states:

> Applying the proposed depreciation rates to forecast monthly balances of depreciable plant throughout the test period results in forecast depreciation and accretion expense of $309.0 million in 2026 and $327.4 million in 2027. However, as NS Power intends to securitize certain asset pools that will be retired prior to 2030, depreciation and accretion expense is further reduced by $26.6 million annually, resulting in totals of $282.4 million in 2026 and $300.8 million in 2027.

Please provide the Excel spreadsheet including all supporting calculations for the above adjustment of $26.6 million annually. As part of the response, please state all assumptions relied upon for the calculations including the expected retirement date of any assets, and the current planned retirement for those same assets to the extent it varies from the expectations included in the forecast.

Request IR-29:

For the general property accounts proposed to be moved to amortization accounting, please revise the calculation of the reserve imbalance amortization from a five-year period to one that reflects the expected remaining life of each account. For example, please estimate the impact of amortizing the remaining variances over 5, 10 and 20 years relative to the recommended life of each account. Please provide the underlying calculations comparing the above calculations to the proposed treatment in Section V of the Gannett Fleming report. Please also provide calculations supporting the estimate of the impact on current depreciation rates in 2026 and 2027 of both proposals.

Request IR-30:

As it relates to the decommissioning costs of the Wreck Cove, Mersey, and Tusket hydroelectric assets, please provide a schedule reconciling all amounts that have been historically recovered in customer rates for net salvage since the date the assets were constructed. Please provide this information by year from the date of installation and include all assumptions and calculations in a working Excel file. Further, please extend this analysis through to the date of expected decommissioning and report the estimated costs of decommissioning on a net basis relative to the amounts recovered to date.

Request IR-31:

Referring to the potential decommissioning costs of Wreck Cove, Mersey, and Tusket, would NS Power be opposed to future securitization of these amounts if they were required to be incurred in the future? Please fully explain.

Request IR-32:

Referring to regulatory amortizations, please expand Figure 8-3 of the application to include the opening balance in each account as of January 1, 2026, any forecast additions, the proposed amortization, and the ending balance as of December 31, 2026 and December 31, 2027.

Request IR-33:

Referring to the Roseway Hydro Decommissioning cost amortization, please provide all evidence supporting the actual costs incurred, the historical amount of depreciation and net salvage recovered in rates for Roseway, the net book value of the Roseway Hydro assets, and all other information that is pertinent to the proposed amortization of the decommissioning costs. Please provide all supporting calculations and state all assumptions made by the Company in its response.

Request IR-34:
Please provide a detailed calculation of the supporting net book value of the Annapolis Tidal plant as of January 1, 2027, including but not limited to all historically recovered depreciation and net salvage related to the plant. Please provide all supporting documentation, calculations and assumptions in an Excel file with formulas intact.

Request IR-35:
Please provide a detailed calculation of the supporting net book value of the Smart Grid Nova Scotia assets as of January 1, 2026, including but not limited to all historically recovered depreciation and net salvage related to the plant. Please provide all supporting documentation, calculations and assumptions in an Excel file with formulas intact.

Request IR-36:
Please prepare a detailed reconciliation demonstrating how all costs proposed to be included in the GRA and COSS deferral have been removed from the forecast costs included in the application for 2026 and 2027.

Request IR-37:
Regarding the GRA and COSS deferral, please explain in detail why such a deferral continues to be required, whether the costs are difficult to forecast, are material, out of NS Power's control, and any other factors considered relevant to NS Power that would support continued deferral of the costs.

Request IR-38:
Regarding the Deferred Decarbonization Asset (DDA), NS Power states that it plans to securitize the net book value of all assets within the scope of the DDA by December 31, 2025. Please

confirm that these assets relate to the reduction in depreciation proposed by NS Power of $26 million per year. If not confirmed, please explain.

Request IR-39:

Please provide an update on the planned securitization of the assets to be added to the DDA and provide any known details of the securitization including the expected impacts on customers of the securitization relative to recovery of the amounts through the DDA.

Request IR-40:

Considering NS Power's proposal to securitize the costs of assets that were previously proposed to be added to the DDA, please fully explain the continued purpose of the DDA, and outline in detail any costs forecast in 2026 to 2030 that are likely to be added to the DDA and why.

Request IR-41:

Referring to the Cost of Removal regulatory account balance described in Section 9.2.5.4 of the GRA Application, please provide a reconciliation of the account balance as far back as possible showing all additions to the account balance for recovery of net salvage each year, removals related to any other factor such as DDA transfers or other considerations, and the actual proceeds, cost of removal and salvage costs incurred in each year, by project.