

NOVA SCOTIA ENERGY BOARD**IN THE MATTER OF: THE PUBLIC UTILITIES ACT**

- and -

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

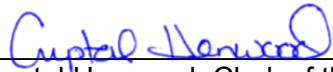
From: Board Staff
Nova Scotia Energy Board

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

Copies: 1 electronic copy (PDF searchable)

Contact Person: **Steve Pronko, P.Eng.**
Nova Scotia Energy Board
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Issued at Halifax, Nova Scotia, this 22nd day of October 2025.



Crystal Henwood, Clerk of the Board

GENERAL

Request IR-1:

Please file a copy of the consensus agreement reached with customer representatives.

Request IR-2:

Please file the regulated and unregulated financial statements of NS Power for the year ended December 31, 2024.

Request IR-3:

Please file the current version of NS Power's "The Path to 2030".

Request IR-4:

The following directive has been issued by the Board since the last general rate application with a bring forward date for the next general rate application (and was not outlined in Appendix 3A). Please outline how this directive has been addressed in the current application:

a) M11598 - Nova Scotia Power Inc. - CI C0041506 – LM6000 191-253 Major Engine Refurbishment

i. In its upcoming depreciation study, NS Power is also directed to describe how the costs of the 191-253 engine refurbishment were considered in setting depreciation rates, and to estimate the rate impact of any proposed adjustment to the depreciation rates for the unit.

Request IR-5:

a) Related to the directive in IR-4, please explain how NS Power considered the costs of the LM 191-332 engine refurbishment and LM 191-443 engine replacement (Matter M12416) in setting depreciation rates.

b) Please identify the estimated rate impacts of any proposed adjustment to the depreciation rates for the units.

Request IR-6:

Please provide NS Power's reliability indices for 2019 to 2024 inclusive, including:

a) System Average Interruption Duration Index (SAIDI).

- b) System Average Interruption Frequency Index (SAIFI).
- c) Customer Average Interruption Duration Index (CAIDI).
- d) Customer Average Interruption Frequency Index (CAIFI).
- e) Please include a comparison with each of the other Atlantic Provinces and Electricity Canada.

Request IR-7:

Reference: Exhibit N-3 GRA Direct Evidence, Section 1.2 Overview of 2026-2027 GRA

On page 10 of the application, NS Power states it has worked hard with customer representatives to balance both the reliability and affordability priorities. Please explain how reliability and affordability have been balanced in the current application. If specific investments have not been included because they were deemed to be not affordable, please identify these investments.

Request IR-8:

Reference: Exhibit N-3 GRA Direct Evidence, Section 1.2 Overview of 2026-2027 GRA

On page 10 of the application, NS Power compares the proposed rate impacts of this GRA to recent annual average rate increases experienced by its Atlantic Canadian neighbours.

- a) Please identify which utilities are referenced and the specific rate increases for each.
- b) Please specify whether each of these utilities also received rate increases since 2023 and compare the compound rate changes of NS Power from 2023 to the proposed new rates with compound rate changes for the same comparator neighbouring utilities over the same period.
- c) For a residential customer on a standard service offering, who consumes 10,000 kWh per year, please compare annual rates charged and intended to be charged by NS Power and these neighbouring utilities in 2025, 2026 and 2027, inclusive of all applicable riders.

Request IR-9:

Reference: Exhibit N-3 GRA Direct Evidence, Section 1.2 Overview of 2026-2027 GRA

On page 10 of the application, NS Power proposed that as of January 1, 2027, compounded rate increases for residential customers would be 8.06%. Please explain how NS Power determined that an increase of 8.06% over the span of one year, from January 1, 2026, to January 1, 2027, is affordable.

Request IR-10:

Reference: Exhibit N-3 GRA Direct Evidence, Section 1.3 Customer Growth and Support

On page 11, NS Power notes “a significant reduction in residential disconnections (3,158 in 2023 vs. 1,782 in 2024)”. Is this the total number of disconnects in those years or is it the number by which disconnects were reduced in those years?

Request IR-11:

Reference: Exhibit N-3 GRA Direct Evidence, Section 1.4 Reliability and System Strength

On page 11 of the application, NS Power says it is advancing innovative large-scale capital projects that will ensure the stability of the electricity grid as Nova Scotia continues its energy transition, replacing fossil fuels with renewable energy sources at a pace that best serves Nova Scotians.

- a) Please elaborate on what NS Power means by “a pace that best serves Nova Scotians”.
- b) Please comment on this pace in light of the observations in the ScottMadden Report that NS Power’s capital employed metrics are generally at or below the peer group median (noted by NS Power on page 35 of the application).

Request IR-12:

Reference: Exhibit N-3 GRA Direct Evidence, Section 1.4 Reliability and System Strength

On page 11 NS Power notes that over 65 community meetings were held throughout Nova Scotia to discuss reliability and understand customer expectations.

- a) Please provide any meeting notes or summaries that were prepared to record the feedback received.
- b) In M12188 Board IR-2, NS Power noted that it committed to providing preliminary data for computing the value of lost load (VoLL) as recommended by Dr. Gonatas in M11692. Has NS Power used the feedback from the community meetings to enhance its data or modeling for the VoLL calculation?
- c) Has NS Power measured customer satisfaction with respect to reliability as a baseline to test the reliability plan against?
 - i. If so,
 - a. What are the quantitative measures identified at the start of the reliability plan implementation?
 - b. Has any data been collected with respect to impacts on customer satisfaction of reliability efforts since the previous GRA?

1 ii. If not, why not?

2
3 **Request IR-13:**

4 Reference: Exhibit N-3 GRA Direct Evidence, Section 1.4 Reliability and System Strength

5 Please provide all data supporting NS Power's statement that it surpassed the Canadian average
6 for having power on in 2024.

7
8 **Request IR-14:**

9 Reference: Exhibit N-3 GRA Direct Evidence, Section 1.4 Reliability and System Strength

10 On page 12, NS Power stated:

11 In 2024, \$200 million was invested in reliability and included replacing 3,000 poles and
12 clearing trees from 1,500 kilometers of power lines. In that same year, power was on 99.9
13 percent of the time, surpassing the Canadian average of 99.73 percent.
14

15
16 a) How many outages were recorded in 2024?

17 b) Please explain how the 99.9% was calculated.

18
19 **Request IR-15:**

20 Reference: Exhibit N-3 GRA Direct Evidence, Section 2.1 Electricity Rate Impact

21 On page 16, NS Power stated that it is seeking approval for a total revenue requirement of \$2.0
22 billion in 2026 and \$2.0 billion in 2027. Please provide NS Power's actual regulated revenues and
23 expenditures for each year since 2020, including the forecast and actual year-to-date for 2025.

24
25 **Request IR-16:**

26 Reference: Exhibit N-3 GRA Direct Evidence, Section 9.2 Details of Rate Base

27 On page 52 of the application, NS Power notes that its proposed rate increases do not include
28 costs for the Reliability Intertie project, which are expected to be recovered through a rider as
29 opposed to NS Power's general rates.

30 a) Please explain why NS Power believes it is appropriate to recover these costs through a
31 rider.

32 b) When does NS Power expect the rider to commence?

33 c) What is the forecast percentage impact on average customer rates as a result of the
34 proposed rider?

Request IR-17:

Reference: Exhibit N-5, Appendix 3A, Status of GRA-Related Deliverables

In Item 3, NS Power notes that it created a Climate Change Adaptation Plan in 2021.

- a) Please explain why, if NS Power had already created a Climate Change Adaptation Plan when the Board issued its directive in its 2023-2024 GRA decision, NS Power waited 20 months to file it with the Board.
- b) Please provide a breakdown of the deferred costs for the development of the Climate Change Adaptation Plan included for recovery in this general rate application and identify the amount of these deferred costs incurred on or after February 2, 2023.
- c) Please list all stakeholder engagements undertaken to develop the Climate Change Adaption Plan, including when and where they were held and who attended. Please specifically identify engagements to which parties who regularly intervene in NS Power's regulatory proceedings in Nova Scotia were invited to attend.
- d) Please explain why Appendix 3A, p. 13, item (c), shows engagement in a consultative process to develop a Climate Change Action Plan as "in progress" if the plan has already been created.
- e) Please provide details on the Climate Action Leadership Program (CALP), including who owns or operated this program and how it is funded.

Request IR-18:

Reference: Exhibit N-5, Appendix 3B Climate Adaptation Plan, p.20

In relation to the CEA climate hazard of "Changes in type, timing and intensity of precipitation" and "Major precipitation events, overland flooding and storm surges" the associated climate variable for amount of precipitation is "Total precipitation, daily". In NS Power's recent FAM audit process (M11533), NS Power reported that total daily precipitation data was not sufficient to demonstrate the severity of intense precipitation that had occurred over periods of 12 hours or less.

- a) Was precipitation data of less than 24 hours duration used for the climate data sets and climate risk analysis?
 - I. If not, why not?
 - II. If so, where in the reports or modeling is this incorporated?

Request IR-19:

Reference: Exhibit N-5, Appendix 3B Climate Change Adaptation Plan, p.42

1 The “Develop a Business Case for Selected Measures” notes that “NS Power strives to minimize
2 costs for customers and maximize the operating capacity and life of its assets”. It is also noted
3 that an Economic Analysis Model may be performed where there are multiple options.

4 a) It is not clear to Board staff if any economic analysis is being completed on a holistic basis.
5 Is NS Power doing any calculations that incorporate the increased probability of major
6 storm events and the total forecast cost of those events measured against the cost of
7 system improvements and combinations thereof? (rather than just incorporating the
8 increased risk into the risk assessment for individual assets)

9 i. If so, please provide the analysis and explain the scenarios modeled.

10 ii. If not, why not? Wouldn't the overall costs, and probability of incurring those costs,
11 need to be considered to minimize costs for customers?

12 b) Have climate impacts already been incorporated into NS Power's risk ranking processes?

13 i. If so, when was this change made?

14 ii. If not, when will it be incorporated?
15

16 **Request IR-20:**

17 Reference: Exhibit N-3 GRA Direct Evidence

18 On page 12 of the application NS Power states that it plans to spend \$485 million in 2026 and
19 2027 and lists several proposed projects on page 12 and 13.

20 a) Please confirm that the \$485 million and the listed projects are part of the Five-Year
21 Reliability Plan filed by NS Power in the 2025 ACE Plan (Matter M12012).

22 b) Please file a copy of the Five-Year Reliability Plan in this proceeding.

23 c) Please provide the estimated project costs for each of the projects in the bullets on page
24 12 and 13.

25 d) Are any of the proposed projects listed on pages 12 and 13 expected to be in-service in
26 the test years? If so, please identify which projects.
27

28 **LOAD FORECAST**

29 **Request IR-21:**

30 Reference: Exhibit N-3 GRA Direct Evidence, Section 4 Load Forecast

31 On page 24 of the application, NS Power notes that its forecast for net energy consumption in the
32 province over the two-year test period was produced in September of 2024 using an updated
33

version of the 2024 Load Forecast filed in April 2024, with the main differences being assumptions to renewable to retail load, and updated economic and sales forecasts (up to May 2024).

a) Please provide a version of Figure 3 from the 2024 Load Forecast, on page 9 of 175 of SR-02, Attachment 1 (Exhibit N-17), to reflect the updated forecast used for the 2026-2027 GRA.

b) Please explain why NS Power did not use or update its 2025 Load Forecast filed in June 2025 (M12349) for the purposes of this 2026-2027 GRA proceeding.

c) Please identify any differences between the GRA load forecast and the 2025 Load Forecast and describe the reasons for these differences.

d) Please compare the electric vehicle adoption rates assumed in the 2026-2027 GRA forecast, and the 2025 Load Forecast, which adjusted adoption rates compared to the 2024 Load Forecast to align with recent trends and the elimination of federal and provincial rebates.

e) Please describe how the 2026 and 2027 forecasts were adjusted for increase behind the meter solar uptake, in keeping with the 2025 forecast.

f) Please confirm, correct and complete the data in the table below:

2026		Net System Requirement (GWh)	% Difference from GRA Forecast	Net System Peak (MW)	% Difference from GRA Forecast
2024	Load Forecast	11,306	-0.75%	2,428	
GRA	Load Forecast	11,392	N/A		N/A
2025	Load Forecast	11,403	0.10%	2,408	
2027		Net System Requirement (GWh)	% Difference from GRA Forecast	Net System Peak (MW)	% Difference from GRA Forecast
2024	Load Forecast	11,347	0.32%	2,437	
GRA	Load Forecast	11,311	N/A		N/A

2025 Forecast	Load	11,193	-1.04%	2,423	
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Request IR-22:

Reference: Exhibit N-3 GRA Direct Evidence, Section 4 Load Forecast

On page 25 of the application, NS Power states “While migration to RTR [Renewable to Retail] reduces sales, it has no impact on forecast peak demand, which is expected to increase by 0.4 percent in 2026 and 1.2 percent in 2027.”

- a) Please explain why RTR has no impact on peak demand. Are 100% of RTR customers assumed to be on NS Power generated energy at system peak?
- b) Please explain the increased net system requirement due to a change in forecast RTR sales noted in the 2025 Load Forecast.
- c) Please describe how the 2026 and 2027 load forecasts were adjusted for the increased sales in the RTR market as provided in the 2025 Load Forecast.
- d) What are the reasons for those expected increases?
- e) What are the MW levels associated with those percentages?

Request IR-23:

Reference: Exhibit N-3 GRA Direct Evidence, Section 4 Load Forecast

On page 25, NS Power stated that compared to the 2024 Load Forecast, sales increased 86 GWh in 2026 and decreased 36 GWh in 2027. However, it also stated that the year over year change is forecast to be -1.4% in 2026 and -0.8% in 2027.

- a) Please reconcile the 86 GWh increase in 2026 against the 1.4% decrease in 2026.
- b) Please reconcile the 36 GWh decrease in 2027 against the 81 GWh decrease on page 24 (i.e., 11,392 GWh - 11,311 GWh).

Request IR-24:

Reference: Exhibit N-3 GRA Direct Evidence, Section 4 Load Forecast

On page 26, NS Power noted that the four OATT MEUs will be taking a portion of their load through the Municipal Tariff so load adjustments were made for the Municipal class and the BUTU. What is the related impact on peak demand and total energy in 2026 and 2027?

FUEL AND PURCHASED POWER / FAM

Request IR-25:

References:

1. On pages 21 and 98 of the application, NS Power requests that BCF amounts attributable to FAM customers be set at “smoothed” amounts of \$927.3 million for 2026 and \$850.9 million for 2027.
2. On Page 27 of the application, NS Power notes the forecast fuel and purchased power costs for the two-year test period amount to \$1.8 billion, with \$919 million in 2026 and \$918 million in 2027.
3. On page 27 of the application, footnote 1, NS Power notes, “Total Fuel and Purchased Power including OATT MEUs taking partial bundled Municipal Tariff results in \$924.3 million in 2026 and \$925.0 million in 2027.”
4. On page 27 of the application, NS Power says it “is seeking approval of new Base Cost of Fuel (BCF) amounts for FAM customers in 2026 and 2027 as set out in FOR-07 Attachment 1.” FO-07, Attachment 1, shows Total Fuel and Purchased Power of \$917.5 million for 2026 and \$917.3 for 2027.
5. In OR-01 Attachment 1, cell L348 shows “Base Cost of Fuel” amounts for “Total FAM Classes” for 2026 Standard (\$849.35 million), 2027 Standard (\$841.41 million), 2026 Smoothed (\$864.92 million) and 2027 Smoothed (\$823.98 million).
6. In OE-01A, Attachment 1, a total fuel and purchased power amount for 2026 is shown in cell N53 and in OE-01A, Attachment 2, a total fuel and purchased power amount for 2027 is shown in cell N58.
 - a) Do the amounts in reference 1 include the OATT MEUs and PHP as FAM customers?
 - b) Please provide the corresponding “unsmoothed” amounts for the “smoothed” amounts in reference 1.
 - c) Please reconcile the amounts in reference 1 to the amounts in reference 2.
 - d) Please reconcile the amounts in reference 1 to the amounts in reference 3.
 - e) Please reconcile the amounts in reference 1 to the amounts in reference 4.
 - f) Please reconcile the amounts in reference 1, and their corresponding “unsmoothed” amounts (provided in (b)) to the amounts in reference 5.
 - g) Please reconcile the amounts in reference 1 to the amounts in reference 6.

Request IR-26:

Reference: Exhibit N-3 GRA Direct Evidence, Section 5 Fuel and Purchased Power

1 On page 27 of the application, NS Power states, "To facilitate having more uniform increases
2 across the two test years, NS Power has adjusted the BCF fuel rates to produce an overall
3 smoothed increase in the total rates. This results in NS Power setting rates to have an over-
4 collection of fuel costs in 2026 and then having a corresponding under-collection of fuel costs in
5 2027.

6 a) Please confirm, or explain otherwise, that only the base cost of fuel has been smoothed
7 and that no non-fuel costs have been smoothed over the test years (i.e., all non-fuel costs
8 are fully reflected in the revenue requirement for each year).

9 b) Please confirm, or explain otherwise, that the overcollection of fuel costs in 2026 will be a
10 positive adjustment to the FAM balance in 2026 that is intended to be fully reduced by the
11 under-collection of fuel costs in 2027.

12 c) Please confirm, or explain otherwise, that unless fuel and purchased power costs in 2028
13 decline relative to 2027, NS Power will need to reset its base cost of fuel for 2028 to avoid
14 once again growing an unrecovered FAM balance.

15 d) Assuming NS Power's costs in 2028 are identical to 2027, what percentage increase in
16 NS Power's (i) average fuel rate and (ii) average class rates in 2028 would be necessary
17 to make up the planned shortfall in fuel cost recovery in 2027?
18

19 **Request IR-27:**

20 Reference: Exhibit N-3 GRA Direct Evidence, Section 5 Fuel and Purchased Power

21 On page 29 of the application, NS Power states:

22 NS Power's currently approved version of the Confidential Fuel Manual, which sets out the
23 requirements for fuel and purchased power procurement, is included in Standardized Filing
24 OE-01F...
25
26

27 a) Please confirm, or explain otherwise, that the version of the Fuel Manual referenced in
28 this statement, and attached as OE-01F, is Revision #14 dated October 17, 2024.

29 b) Please confirm, or explain otherwise, that Revision #14 was filed with the Nova Scotia
30 Utility and Review Board by NS Power in Matter M11947 for information purposes
31 because the Fuel Manual is not approved by the Board.

32 c) Please confirm, or explain otherwise, that the Nova Scotia Utility and Review Board letter
33 in Matter M11947 dated October 31, 2024, noted that there is no approval or acceptance
34 of the Fuel Manual and that NS Power is responsible for ensuring it manages its fuel
35 portfolio in a prudent manner in the best interests of its customers.

- 1 d) Please explain the reference to the “approved” version of the Fuel Manual on page 29 of
2 NS Power’s application.

3
4 **Request IR-28:**

5 References:

- 6 1. On pages 21 and 98 of the application, NS Power seeks Board approval of “administrative”
7 changes to the introduction to Appendix Q (the Hedging Plan) of the Fuel Manual.
8 2. On page 35 of Appendix 5A, NS Power notes there is no legislative requirement for the
9 Board to approve NS Power’s Hedging Plan.

10 a) Please confirm, or explain otherwise, that Nova Scotia Utility and Review Board approval
11 was explicitly required by legislation for NS Power’s “Fuel Stability Plan” for a “Rate
12 Stability Period” spanning the years 2017, 2018 and 2019, which included “a description
13 of any hedging strategies or mechanisms proposed to be used by Nova Scotia Power to
14 manage fuel costs during the Rate Stability Period”.

15 b) Please confirm, or explain otherwise, that the Nova Scotia Utility and Review Board, in its
16 decision approving NS Power’s Fuel Stability Plan (2016 NSUARB 129), the Nova Scotia
17 Utility and Review Board noted:

18
19 [52] For the first time, since the implementation of the FAM, the Board is required,
20 pursuant to s. 6 of the *EPIA*, to approve the hedging strategies or mechanisms to be used
21 by NSPI to manage fuel costs during the Rate Stability Period.

22
23 [53] Since inception of the FAM, NSPI has undertaken hedging activities and the
24 prudence of those activities was then reviewed as part of the FAM audit process. That
25 meant that shareholders were at risk in the event hedging was done imprudently. During
26 the Rate Stability Period, the *EPIA* requires the Board to give advance approval of the
27 hedging strategy, thus reducing any risk to NSPI shareholders that there may be a finding
28 of imprudence.

29
30 c) Please confirm, or explain otherwise, that NS Power agrees that it is responsible for
31 ensuring it engages in hedging practices in a prudent manner in the best interests of its
32 customers.

33 d) Please confirm whether NS Power’s proposed changes to Appendix Q of its Fuel Manual
34 and its Hedging Plan have been filed for information purposes in this proceeding or if NS
35 Power is actually seeking an order approving these changes. If the latter, please explain
36 why, given that the Fuel Manual is not approved by the Board and the Hedging Plan was
37 approved only for the Fuel Stability Period from 2017-2019 because of the specific
38 statutory requirement to do so at that time.

Request IR-29:

Reference: Exhibit N-5, Appendix 5B, Fuel Hedging Plan

- a) What is the base document from which the tracked changes in Appendix 5B have been made?
- b) Is there any reason why some of the tracked changes in Appendix 5B are in blue and some are in red. If so, please explain.

Request IR-30:

Reference: Exhibit N-5, Appendix 5C, Letter from Minister of Environment and Climate Change, March 25, 2025

Please provide a copy of the March 24, 2025, letter from Mr. Pickles, and any supporting information for NS Power's request for flexibility, including its proposed recovery plan.

Request IR-31:

Reference: Exhibit N-3 GRA Direct Evidence, Section 5 Fuel and Purchased Power, Figure 5-4 p. 31

- a) Please explain why shifting sulphur dioxide compliance limits from 2025-2029 to 2030-2034 does not require future customers to pay for the "approximately \$160 million" decrease in NS Power's revenue requirement over the test years (and presumably additional decreases in the cost of fuel and purchased power in 2025, 2028 and 2029).
- b) Please compare NS Power's forecast sulphur dioxide compliance costs for the 2030-2034 period under the original sulphur dioxide limits and the limits that are reduced by more than half under the certificate of variance.
- c) If it is NS Power's position that compliance cost increases associated with the significant decreases in sulphur dioxide limits in 2030-2034 will be mitigated by other factors, such as the elimination of coal fired generation in 2030, please list all such factors that NS Power has assumed, what needs to occur for these assumptions to be borne out, and NS Power's risk assessment and mitigation plan in the event these assumed factors do not materialize in the time frame assumed.

Request IR-32:

Reference: Exhibit N-5, Appendix 5A Fuel and Purchased Power, p.8

It is noted in section 1.1.3 that "NS Power does not use heavy fuel oil (HFO) as a primary fuel to generate electricity due to its high cost relative to natural gas or solid fuels". Board staff notes that

1 the monthly FAM reports for January and February 2025 showed heavy fuel oil consumption
2 significantly over budget. The reason included in the reports was due to increased total system
3 requirement and lower than budgeted solid fuel generation (which was due to sulphur dioxide
4 emission constraints).

5 a) Has NS Power considered the use of a Virtual Power Plant or other means of reducing
6 consumption in instances such as this instead of switching to use of a costly source of fuel
7 such as heavy fuel oil?

8 i. If so, please provide details.

9 ii. If not, why not?

10
11 **Request IR-33:**

12 Reference: Exhibit N-5, Appendix 6A (FAM Framework) and 6B (FAM Plan of Administration)
13 NS Power proposes a change to s. 3.2.8 of the FAM POA to include costs associated with
14 renewable energy programs (e.g., on bill credits for community solar programs).

15 a) Please explain how the proposed language distinguishes between program related costs
16 that should be included under cost of service and rate design principles and costs that,
17 because of statutory restrictions, cannot be recovered from program participants and must
18 be subsidized by other customers.

19 b) Please comment on the appropriateness of including the following additional language to
20 the proposed change (underlined): “and costs associated with renewable energy
21 programs (e.g. on bill credits for community solar programs) when such costs cannot be
22 recovered from program participants.”

23
24 **Request IR-34:**

25 Reference: Exhibit N-3, GRA Direct Evidence, Section 6 Fuel Adjustment Mechanism and
26 Appendix 6B

27 NS Power notes that it has proposed changes to the FAM Plan of Administration to move some
28 costs previously included in OM&G to the FAM. Board staff notes that Ash Hauling costs and
29 Tufts Cove Wharf / Buoy Chain Inspection and Maintenance Costs have both been added to the
30 POA, and that the Board had previously told NS Power that it would only consider moving these
31 costs to the FAM in conjunction with a GRA (M11127).

32 a) Please confirm, or clarify otherwise, these are the only costs proposed to move from
33 OM&G to the FAM.

- 1 i. If not confirmed, please identify the other OM&G costs that NS Power has
2 proposed to move to the FAM.
- 3 b) Please provide the amount included in the 2024 test year forecast in the previous GRA for
4 each of these items.
- 5 c) Board staff notes that there is a \$1.5 million decrease in contracts under Power Production
6 Head Office expense in 2026 compared to 2024 actuals related to removal of ash hauling
7 costs, and a minor decrease in contracts under Tufts Cove and Combustion Turbines
8 related to removal of ash hauling costs. It is not apparent to Board staff where the Tufts
9 Cove Wharf / Buoy Chain Inspection and Maintenance Costs have been removed from
10 the OM&G forecast. Please confirm, or clarify otherwise, where these costs have been
11 removed from the OM&G forecasts for 2026 and 2027.

12
13 **Request IR-35:**

14 Reference: Exhibit N-5, Appendix 6A Fuel Adjustment Mechanism Plan of Administration, Section
15 3.1

16 Why has NS Power removed the reference to carrying costs being paid by customers paying a
17 balance owing over time?

18
19 **Request IR-36:**

20 Reference: Exhibit N-3 GRA Direct Evidence, Section 2.2 FAM Treatment

- 21 a) Please reconcile the forecast total FAM balance owing from customers at the end of 2025
22 of approximately \$94 million (from the August 2025 monthly FAM report) with the FAM
23 deferral balance forecast in RB-2-16.
- 24 b) Has the annual amount owing to Invest Nova Scotia related to the \$117 million receivable
25 been incorporated into the BCF amounts in 2026 and 2027?
- 26 i. If not, why not?
- 27 c) Please confirm NS Power intends to file a FAM AA/BA application in Q4 of 2025.
- 28 i. If confirmed:
- 29 a. Have the estimated rate adjustments been presented to and discussed with
30 the customer representatives?
- 31 b. Please provide the estimated rate impacts.
- 32 ii. If not confirmed:
- 33 a. Please explain the treatment of the AA/BA balances at the end of 2025.
- 34

Request IR-37:

Reference: Exhibit N-3 GRA Direct Evidence Appendix 5A

Prior general rate applications have included a Fuel Update in late August of the filing.

- a) Please provide the date on which the fuel and purchased power assumptions in the GRA application are based.

Request IR-38:

Reference: Exhibit N-3 GRA Direct Evidence Appendix 5A

On page 34 of Appendix 5A, the application states that NSPML's forecast assessments for the Maritime Link against NS Power are \$200.5 million in 2026 and \$203.9 million in 2027 (including \$41.5 million and \$40.6 million for 2026 and 2027, respectively related to interest and principal on the \$500 million Federal Loan Guarantee).

- a) Please explain the reason why Operating & Maintenance costs are forecast to increase from \$21.7 million in 2026 to \$29.0 million in 2027.

OPERATING COSTS

Request IR-39:

- a) Please provide the actual Bad debt expense and Write-offs of accounts receivable for 2019 to 2024 inclusive, as well as the estimated amounts 2025 to 2027 inclusive.
- b) If available, please provide these amounts by customer class.

Request IR-40:

Reference: Exhibit N-3 GRA Direct Evidence, Section 1.1 Support for 2026-2027 GRA

On page 8 of the application, NS Power notes that the GRA does not include costs related to the cybersecurity attack. While not included in the forecasted revenue requirement, please provide a breakdown of all costs NS Power anticipates it will incur in the test period due to the cybersecurity attack, and its most recent forecast for each cost.

Request IR-41:

Please confirm, or clarify otherwise, that the total cost reduction in operating costs due to the consensus is \$9 million, made up of \$5 million allocated to administration (Appendix 7C, p.50),

1 \$2 million allocated to customer service (Appendix 7C p.52), and \$2 million allocated to corporate
2 adjustments (Appendix 7C, p.58).

3
4 **Request IR-42:**

5 a) Please provide a listing showing the total number of 2026 forecast full-time equivalent
6 employees (FTEs) included in each operating expense category compared to current
7 (2025) actuals and the numbers included in the 2024 compliance filing. Please include in
8 the listing a variance column showing the increased number of FTEs per category over
9 2024 compliance as well as the percentage increase per category.

10 b) For increases in the number of FTEs that are greater than 10%, please explain why the
11 additional FTEs are necessary.

12
13 **Request IR-43:**

14 Please specify all costs included in the application which are related to compensation for any
15 Emera or Emera-related employees.

16 a) Please name each employee and job title and provide a breakdown of those costs for
17 each employee.

18 b) Please specify any compensation for the President and CEO of Emera that is included in
19 the Application.

20
21 **Request IR-44:**

22 Please identify the number and percentage of employees who were eligible to receive a bonus,
23 and the number and percentage that actually received a bonus, in any or all of the previous five
24 years (i.e., 2020 to 2024, inclusive).

25 a) What was the total amount of the bonus in each year?

26 b) Provide a breakdown of the number and percentage of employees within each bonus
27 category along with the associated bonus amounts.

28 c) Please provide similar details regarding expected bonus payments in the application for
29 2026 and 2027.

30
31 **Request IR-45:**

32 Reference: Exhibit N-3 GRA Direct Evidence, Section 7 Operating Costs

33 Page 36 of the application refers to wage increases for both union and non-union employees.

- 1 a) Please describe the current status of NS Power's collective agreement with its unionized
2 labour force and identify the percent increase and the total salary costs included for 2026
3 and 2027.
- 4 b) Are any non-unionized workers subject to the same or similar percentage increase in
5 wages? Please provide details.
- 6 c) Please provide the actual pension expense from 2015 to 2024, and 2025 forecast (in
7 similar format to the response to Request IR-46 in M10431).
- 8

9 **Request IR-46:**

- 10 a) Please identify the amount budgeted in proposed rates for OM&G costs for vegetation
11 management in 2026 and 2027.
- 12 b) Please provide a table showing the amount of OM&G funds spent on vegetation
13 management for each year from 2019 to 2024 inclusive. Please separately identify funds
14 related to distribution and transmission.
- 15 c) Please provide similar information to b) regarding capital funds associated with routines
16 and individual work orders.
- 17

18 **Request IR-47:**

19 Reference: Exhibit N-3 GRA Direct Evidence, Section 1.5.6 NSEISO Transition, p.75, Exhibit N-
20 6 Appendix 7A

- 21 a) Please provide a breakdown of the \$1.6 million in costs removed from NS Power's revenue
22 requirement for 2026 and \$4.5 million in 2027, due to the transition of some current NS
23 Power responsibilities to the Nova Scotia Independent Energy System Operator.
- 24 b) What is NS Power's current assessment of the likelihood that the phase one transition will
25 occur on January 1, 2026, and the phase two transition on January 1, 2027?
- 26

27 **Request IR-48:**

28 Reference: Exhibit N-3 GRA Direct Evidence, Figure 7-1 – Five-Year Operating Cost Forecast
29 Please update the five-year forecast from NS Power's last general rate application (reproduced
30 below) to include actuals and percentage variance from forecast to actual for the period:

31

Figure 6-4: 2022-2026 Operating Cost Forecast

	2022	2023	2024	2025	2026
Operating costs (\$ million)	283.6	288.8	297.4	316.2	321.6
Increase (\$ million)		5.2	8.6	18.7	5.5
Percent Change		1.8	3.0	6.3	1.7

Request IR-49:

Reference: Exhibit N-3 GRA Direct Evidence, Section 1.1 Support for 2026-2027 GRA

On page 9, NS Power stated that "...the process that has been undertaken to develop this GRA has been extensive" and "Indeed, this collaborative outcome includes reduced costs to account for the anticipated GRA-related regulatory efficiencies that have been created by the parties' collaborative efforts and work."

a) How much is the cost reduction referenced above?

b) Please provide a breakdown of the actual and forecast regulatory costs for each of 2020 to 2030 inclusive. That breakdown should further identify the internal NS Power GRA-related costs and the external GRA-related costs.

Request IR-50:

Reference: Exhibit N-3 GRA Direct Evidence, Section 7.3 Five-Year Operating Cost Forecast

On page 36, NS Power stated that "The consensus approach to this GRA results in a greater year-over-year increase from 2027 to 2028." Figure 7-1 shows an increase of \$6.1 million from 2026 to 2027 and \$22.1 million from 2027 to 2028.

a) Please explain this statement.

b) What is the variance from the 2025 forecast to the 2026 forecast?

c) Please itemize the components and their contributions to the forecast \$16 million increase from 2027 to 2028.

d) Please explain the forecast \$2.5 million reduction in operating costs from 2029 to 2030.

Request IR-51:

Reference: Exhibit N-6, Appendix 7A

Please explain the basis for the labour inflation rates noted on page 6 in Appendix 7A.

Request IR-52:

Reference: Exhibit N-6, Appendix 7A

Please confirm, or explain otherwise, that the primary driver of the primary drivers on increased actual operating expenses noted on page 7 in Appendix 7A was the delay of the Nova Scotia Block.

Request IR-53:

Reference: Exhibit N-6, Appendix 7A

Please explain the reason for the increased regulatory requirements for fuel system equipment inspections at Tufts Cove, noted on page 8 in Appendix 7A.

Request IR-54:

Reference: Exhibit N-6 Appendix 7A

Regarding s. 1.5.7 (Cost Savings Initiatives), please identify any initiative or pilot projects NS Power plans to undertake in 2026 and 2027 to identify or assess new cost savings initiatives or processes to increase efficiencies and reduce costs for customers.

Request IR-55:

Reference: Exhibit N-6 Appendix 7A, Figure 7A-10 2020-2024 Storm Restoration Operating Expenses

a) Please explain why the approved deferred recovery of Post Tropical Storm Fiona costs makes it inappropriate to include these costs for a more complete picture of storm costs actually incurred in the period covered by Figure 7A.

b) Please restate Figure 7A to include these costs.

Request IR-56:

Reference: Exhibit N-6 Appendix 7A

On page 27 of Appendix 7A, NS Power advises it has increased expense in Grid Modernization and Customer Integration to hire seven additional employees on the Customer Experience team for continued expansion of services and product offerings and customer support with focus on awareness, education, and adoption for customers and an additional four employees to focus on data analytics to provide asset management insights to further enhance NS Power's asset management capabilities and improve capital investment decision-making and expand customer rate offerings.

- 1 a) Please describe the new services and product offerings that NS Power intends to
2 introduce in 2026 and 2027.
- 3 b) Please confirm, or explain otherwise, that NS Power's ability to expand customer rate
4 offerings is limited by its outdated Customer Information System, which NS Power does
5 not expect to be launched until sometime in 2029 (see Matter M11884).

6

7 **Request IR-57:**

8 Reference: Exhibit N-6, Appendix 7E, Executive Compensation Report

- 9 a) Please confirm, or explain otherwise, that the "pay plan" referenced in the *Nova Scotia*
10 *Power Incorporated Regulations* is defined as "the Senior Officials Pay Plan approved by
11 the Governor in Council by Order in Council 2007-85 under the *Civil Service Act* and
12 the *Public Service Act*, and as amended from time to time."
- 13 b) Please confirm, or explain otherwise, the "pay plan" referenced in the *Nova Scotia Power*
14 *Incorporated Regulations* was not amended but revoked by Order in Council 2023-138.
- 15 c) Please explain how NS Power determined the amounts recoverable through rates in
16 Appendix 7E if the pay plan used as the benchmark was revoked.
- 17 d) Please confirm, or explain otherwise that the new Senior Officials Pay Plan approved by
18 Order in Council 2023-138 is materially different from the revoked version referenced in
19 the *Nova Scotia Power Incorporated Regulations* in that it: (i) includes a number of
20 additional pay scales; (ii) no longer references a single pay scale applicable to deputy
21 ministers; (iii) no longer includes any pay scales that provide for a salary based on a 110%
22 compa ratio.
- 23 e) Please provide details of any discussions between any representative of NS Power any
24 government official about the revocation of the pay plan referenced in the *Nova Scotia*
25 *Power Incorporated Regulations*.
- 26 f) Please provide copies of any written communications between any representative of NS
27 Power and any government official about the revocation of the pay plan referenced in the
28 *Nova Scotia Power Incorporated Regulations*.

29

30 **Request IR-58:**

31 Reference: Exhibit N-6, Appendix 7A, page 7 of 37

32 NS Power notes a significant increase in the utilization of thermal plants and combustion turbines,
33 which was 4,525 GWh estimated capacity and 6,148 GWh used capacity, appears to be one of
34 the primary drivers for operating expense increase in 2024.

- 1 a) Please explain the cause of this scenario and NS Power's plans to mitigate similar issues
2 to lower operating expense.
- 3 b) Please indicate if NS Power expects similar expense levels in 2025, 2026 and 2027, and
4 identify the amount budgeted in proposed rates.
- 5

6 **Request IR-59:**

7 Reference: Exhibit N-6, Appendix 7A, Figure 7A-10, page 22 of 37

8 NS Power provided the storm restoration operating expenses for years 2020 to 2024.

- 9 a) The table indicates a much lower operating expense in 2021 and 2024.
- 10 i. Please explain any activities NS Power performed to lower operating expense in
11 these two years.
- 12 ii. Please update the table with the number of Level 1-2 and Level 3-4 storms for
13 each year from 2020 to 2024.
- 14 b) In M12071 Storm Outage Analysis Report -December 12, 2024, NS Power provided a
15 response to the Board's IR-10 e):

16 NS Power is implementing higher-strength insulator designs and improved installation
17 techniques in areas prone to high winds. This includes transitioning to insulator types with
18 enhanced mechanical performance and evaluating new installation methods to ensure
19 greater resilience against wind-related stress.

- 20 i. Please provide the research and activities NS Power performed on grid resilience
21 improvement against wind-related stress.
- 22

23 **Request IR-60:**

24 Reference: Exhibit N-6(ii), Corporate Office of Secretary and General Counsel

25 With respect to the reasons given for the following significant projected increases for 2026 over
26 2024 actuals:

- 27 a) Consulting and Ext Legal & Audit
- 28 i. While it is understood that the CRA litigation is ongoing, please explain the reasons
29 for the year over year increases in costs for consulting, travel, contracts, and
30 external legal audit.
- 31 ii. As noted by NS Power on page 54 of its application, it filed an appeal in the Tax
32 Court of Canada six years ago, on November 19, 2019. Please explain the reasons
33 for the delay in having this matter heard and indicate if a hearing date has been
34 set and when the matter is likely to be resolved.

- 1 iii. What are the total costs related to the CRA appeal in these areas and all other
2 expense categories incurred to date? (i.e. including the additional FTE noted in
3 M10431 Board IR-38(a))
- 4 iv. What is an estimate of the remaining costs related to the litigation that will be
5 required up to the point where a decision is rendered?
- 6 v. Has NS Power done a cost/benefit analysis with respect to the benefits of earlier
7 deduction of the disputed costs versus the cost of the litigation?
- 8 a. If so, please provide.
- 9 b. If not, why not?
- 10 b) Insurance
- 11 i. Please provide additional details and a breakdown for the increases in insurance
12 premiums.
- 13 ii. Has NS Power sought quotes for 2026? If not, what is the forecast based on?
- 14

15 **Request IR-61:**

16 Reference: Exhibit N-6(ii), Communications and Public Affairs

- 17 a) The reason given for the increase from 2024 actuals to forecast 2026 expense in labour
18 expense under Communications and Public Affairs is the same as many other categories
19 stating it is due to staff complement change and salary escalations. The increase in this
20 category in 2026 over 2024 actuals is 48%, and over 100% compared to the 2024
21 compliance filing. Please explain why there is a more significant increase in this labour
22 category than in others.
- 23 b) Similarly, the consulting expense forecast for 2026 has increased over 400% from the
24 2024 compliance filing. Please explain why such a significant increase has been required
25 in the last two years.
- 26 c) Please provide additional details about the advertising increases and the planned
27 engagements for Customer Communications, including whether new initiatives have been
28 undertaken or are planned for the test years.
- 29 d) Please confirm that no part of the increases in a) or b) are related to the cybersecurity
30 breach or its aftermath in the test years.
- 31

Request IR-62:

Reference: Exhibit N-6(ii), Corporate Human Resources

- a) The reason given for the increase from 2024 compliance restated to forecast 2026 expense in labour under Human Resources is due to staffing level increase and salary escalation. This is an increase of 58%. Please explain why such a significant increase is required in Human Resources.
- b) The increase in consulting expense is similarly high at 47% over 2024 compliance and 114% over 2024 actuals.
 - i. Please explain why such a significant increase is required in consulting given the additional internal staff in this area. Could this work have been done internally? If not, why not?
 - ii. NS Power notes the increase is partly due to increased safety programs. The increase holds steady through 2027. Are these safety programs expected to take place over two years? Please provide further information on the safety and health and wellness programs.
- c) Please provide additional details about the allocation of costs for talent management.
- d) Please comment on the cost increases noted above from 2024 to 2026, in light of the observations in the ScottMadden Report (OP-03, Attachment 1, Pages 64-68 of 87) that suggest, based on five years of data up to 2023, that NS Power is already above average for human resources costs compared to its peers.

Request IR-63:

Reference: Exhibit N-6(ii), Regulatory Affairs

The consulting expense forecast for 2026 is 57% higher than 2024 compliance and slightly below 2024 actuals. Board staff assumes that much of the work leading into the GRA would have been completed, or at least commenced, in 2024 (i.e. the depreciation study, the line loss study, the cost of service study).

- a) Given this level of pre-GRA work occurring in 2024, please explain why the expense is expected to stay at this level? Specifically, what regulatory engagements in 2026 and 2027 are expected to result in a “greater volume and scope” of regulatory work in these years?

Request IR-64:

Reference: Exhibit N-3 Direct Evidence, Exhibit N-6(ii), Information Technology

Pages 8-9 in the direct evidence notes that the test year forecasts were completed before the cybersecurity incident occurred, and that the forecasts were not updated to reflect any increases after the incident. The consulting expense in Information Technology has an over 1000% increase over the 2024 compliance restated. The explanation given for the increase is that it is due to support for the cybersecurity program and incremental expenses for continued improvements to Tableau and PowerBI.

a) Please further explain the drastic increase in information technology consulting expense that has occurred since the previous rate case. Did this increased level of spending in any way mitigate the damage from the cybersecurity incident?

b) Board staff notes that the actual consulting expense incurred in 2024 is in line with the forecast for 2026 and 2027. Will this level of expense be required annually on an ongoing basis? Or is this increase related to one-time costs for implementation of new programs or projects?

c) What are Tableau and PowerBI?

d) Please provide the Matter number reference for any Board capital work order matters related to Tableau and PowerBI.

Request IR-65:

Reference: Exhibit N-6(ii), Tufts Cove and Combustion Turbines

The explanation for the increase in materials expense is that it is due to increased pricing and increased running hours.

a) Why is there such a significant increase in materials expense forecast (particularly the 75% over 2024 compliance restated) compared to materials expense in other categories?

b) What is the forecast increase in running hours in 2026 versus 2023, 2024, and 2025?

Request IR-66:

Reference: Exhibit N-6(ii), Control Center

There is a 42% forecasted increase in labour expense for 2026 over 2024 actuals in this category (as well as a significant projected increase over 2025 budget) despite a reduction of three employees due to transfer to the Nova Scotia Independent Energy System Operator (NSIESO). The reason given is due to additional employees for operational requirements.

a) Please provide additional details about the significant increase in additional employees for operational requirements in 2026, just before they are transferred to the NSIESO in 2027.

- b) Please provide NS Power's actual and forecast annual number of full-time equivalent employees in its Control Center group from 2024 to 2028.

Request IR-67:

Reference: Exhibit N-6(ii), Transmission & Distribution Contractor Management

There was a 133% increase in contracts expense in 2024 versus the forecast amount in the 2024 compliance. The explanation given for the higher costs over the 2024 compliance forecast is due to increased maintenance on larger fleet and aging fleet vehicles, increased utility services costs, and inflation. Please provide more information on the \$7.6 million increase in 2024 expense compared to the compliance forecast for 2024.

Request IR-68:

Reference: Exhibit N-6(ii), Storm

The 2026 forecast for labour in this category is significantly higher than the 2024 actual, but in-line with the 2024 compliance restated.

- a) Did NS Power reduce its FTEs in this category during 2024 or are these non-salaried employees?
- b) There doesn't appear to be separate accounts used for level 3 and level 4 storms. If not, why not? Wouldn't this be the easiest way to track these costs for the storm rider?
- c) How are the level 3 and level 4 storm costs tracked separately from level 1 and level 2 if not by separate accounts? Is there a manual process of extracting data?
- i. If this is how its done, isn't this more cumbersome and time consuming than tracking in separate accounts?

Request IR-69:

Reference: Exhibit N-6(ii), Grid Modernization and Customer Integration

There is a forecasted increase of 34% in labour in this category over 2024 actual. The reasons given are additional resources in the Smart Meter Operations Center, primarily to support data analytics, Customer Experience for expansion of customer focused initiatives, increased requirements for Telecom and WAM support, and salary escalation.

- a) Please provide additional specific details on the increased requirements or expanded initiatives in each of the mentioned areas from 2024 to 2026.

b) Please comment on the need for additional resources in the Smart Meter Operations Center to support data analytics, when NS Power's ability to obtain smart meter data has been impacted by the cybersecurity attack.

c) When does NS Power expect to be able to fully access smart meter data from customer meters?

d) How long will NS Power's customer meters store customer data? Has NS Power already lost smart meter data because it was unable to access it due to the cybersecurity attack?

Request IR-70:

Reference: Exhibit N-6(ii), Corporate Adjustments

a) Please explain what the vacancy adjustment is (under labour), and how it was treated previously.

Request IR-71:

Reference: Exhibit N-14, OP-03, Attachment 1, ScottMadden Report

In a number of instances, the ScottMadden Report includes a discussion of "Factors Contributing to Performance" along with its observations. Please explain why these factors appear to offer exogenous or structural reasons in areas where NS Power's performance may appear to be poorer or trending poorer compared to its peers, but no similar comments are made to highlight similar factors that NS Power may be benefitting from in areas where the data shows its performance to be superior to its peers.

Request IR-72:

Reference: Exhibit N-14, OP-03, Attachment 1, ScottMadden Report, p. 12 of 87, Peer Group Selection

a) Is the entire universe of regulated US electric operating companies limited to 149 companies? If not, how was the starting point determined?

b) Were any US utilities that are vertically integrated (production, transmission, and distribution functions) or diversified (electric and gas) excluded from the 103 companies at step 2 of the screening process? If so, which ones and why?

c) Were any US utilities of comparable scale (total plant between \$2.5B and \$12.5B, number of customers between 250,000 and 1,300,000, and generation capacity between 700 MW and 4,000 MW) excluded from the 25 companies at step 3 of the screening process? If so, which ones and why?

- 1 d) Why were each of the following US utilities that have fewer than 250,000 customers
2 included in the peer group: Duke Energy Kentucky, Inc., Empire District Electric Company,
3 Kentucky Power Company, MDU Resources Group, Inc., Monongahela Power Company,
4 Otter Tail Power Company and Southern Indiana Gas and Electric Co.?
- 5 e) Please explain how the NERC regions were used to screen US utilities. Which regions
6 were excluded, and why?
- 7 f) Please provide a flow chart, similar to the one shown for US utilities, to describe how the
8 Canadian utilities were selected.
- 9 g) Please identify which of the Canadian utilities included in the peer group would have been
10 excluded if the screening criteria applicable to US utilities (total plant between \$2.5B and
11 \$12.5B, number of customers between 250,000 and 1,300,000, and generation capacity
12 between 700 MW and 4,000 MW) were used.

13
14 **Request IR-73:**

15 Reference: Exhibit N-14, OP-03 Attachment 1, ScottMadden Report

16 On page 17 it is noted that NS Power's total OM&G increased 23% in nominal terms from 2019
17 to 2023 while the peer median decreased 9% in nominal terms over the same period. On page
18 22 it is noted that NS Power transmission OM&G per retail MWh sold increased 90% in nominal
19 terms while the peer median increased 42%. On page 25 it is noted that NS Power distribution
20 OM&G increased 32% in nominal terms while the peer median decreased 1%.

- 21 a) Please provide the nominal increase or decrease for NS Power for these three
22 measurements if level 3 and 4 storm costs are removed from the calculation.

23
24 **Request IR-74:**

25 Reference: Exhibit N-14, OP-03, Attachment 1, ScottMadden Report, p. 28 of 87, Transmission
26 and Distribution Metrics

27 The report notes: NSPI widened its positive gap in the Distribution OM&G metrics through 2021,
28 but this gap has since narrowed as NSPI's Distribution OM&G expenses grew faster than its peers
29 since 2021. NSPI had increased storm expenses in 2023. In addition, Distribution OM&G expense
30 increased in 2023 due to customer growth, increased investment in reliability and significant
31 growth in customer requested work." Does ScottMadden have similar information on storm cost
32 impacts, reliability investments and customer growth for the peer utilities that contributed to their
33 performance? If so, please provide this information.

Request IR-75:

Reference: Exhibit N-14, Op-03 Attachment 1, ScottMadden Report

On page 29 one of the factors contributing to performance is listed as the adoption of unit flexible operations. Please explain what the adoption of unit flexible operations is.

Request IR-76:

Reference: Exhibit N-14, OP-03, Attachment 1, ScottMadden Report, page 57 of 87, Capital Additions Metrics

a) Do the summary observations on NS Power's capital additions metrics suggest that NS Power's investment in its system is below average compared to its peers.

b) Might this suggest that NS Power is lagging behind in investments to improve the reliability of its system? Please explain.

Request IR-77:

Reference: Exhibit N-14, Op-03 Attachment 1, ScottMadden Report

On page 64 it is noted that NS Power's HR cost per FTE is 21% higher than the group median and has increased 41% in nominal terms between 2019 and 2023. Under factors contributing to performance, it is noted that there has been a general shortage of skilled trade employees in Canada resulting in increased costs to attract and retain them.

a) Please provide the median cost per employee using only the Canadian companies in the industry group.

b) If this shortage is not being experienced elsewhere, has NS Power attempted to recruit internationally?

c) If the shortage is being experienced elsewhere, why are NS Power's costs so much higher than its peers?

d) Has NS Power considered a scholarship program where tuition costs are paid by NS Power for students who agree to work for NS Power for a given period of time upon completion?

Request IR-78:

Reference: Exhibit N-3, GRA Direct Evidence

On page 35, NS Power states "Information Technology costs per business entity full-time equivalent employee is significantly below the utility industry median".

- 1 a) Please explain the significance of this statement in the context of NS Power's recent
2 cybersecurity incident.
3

4 **DEPRECIATION AND REGULATORY DEFERRALS**

5

6 **Request IR-79:**

7 Reference: Exhibit N-3 GRA Direct Evidence, 8.6 Regulatory Amortizations

8 Please provide a breakdown of the unreduced accrued and forecast GRA and COSS Deferral
9 costs included in Figure 8-3 of the application.
10

11 **Request IR-80:**

12 Reference: Exhibit N-12, FO-13

13 Please provide a breakdown of the "Deferred Charges – Other General" in FO-13 in the same
14 format as in FO-13, but including 2024 compliance and actual amounts, as shown in RB-2-16.
15

16 **Request IR-81:**

17 Reference: Exhibit N-7, Appendix 8A, Depreciation Study

- 18 a) If the retirement rate method described in Appendix 8A, pages 20-33 of 297, depends on
19 segmentation by age group, and the study ultimately uses judgment based on things such
20 as knowledge of the property and the types of curves estimated for other utilities (operating
21 in different environments) to simulate ages, does that mean the study is heavily influenced
22 by those factors? Please explain.
- 23 b) Is it preferable to apply the retirement rate method when actual aged experience is
24 available? Please explain.
- 25 c) Why wasn't actual aged experience used in this study?
26

27 **Request IR-82:**

28 Reference: Exhibit N-7, Appendix 8A, Depreciation Study

29 On page 56 of 297 of the Depreciation Study, Gannett Fleming notes, "Continued surveillance
30 and periodic revisions are normally required to maintain continued use of appropriate annual
31 depreciation accrual rates." What periods are normally used for revisions?
32

33 **Request IR-83:**

34 Reference: Exhibit N-7, Appendix 8A, Depreciation Study

On page 54 of 297 of Appendix 8A, Gannett Fleming recommends that reserve imbalances for the five general plant accounts subject to amortization accounting be amortized over a five-year period.

a) What is a reserve imbalance and what causes it?

b) Please confirm, or explain otherwise, that the proposed reserve imbalance to be recovered over five years is \$26,114,146, as shown below:

391.10 Furniture and Equipment	(919,412)
391.31 Computer Equipment - Hardware	416,440
391.32 Computer Software	22,338,881
394.00 Shop Equipment	180,288
398.00 Miscellaneous Equipment	3,178,537
Total	26,114,146

c) What costs or other benefits do ratepayers derive from the adoption of amortization accounting compared to the annual incremental depreciation expense of \$600,000 over the test year period that NS Power notes on page 42 of the application?

d) Please confirm, or clarify otherwise, that this requires no changes to NS Power's accounting policies if approved.

i. If not confirmed, please provide the proposed revised accounting policy.

Request IR-84:

Reference: Reference: Exhibit N-7, Appendix 8A, Depreciation Study

Appendix 8A, Depreciation Study, Part VI – Table 1 (pages 58-60 of 297) and Part IX (Detailed Depreciation Calculations)

a) Please explain how the “original cost” as of December 31, 2023, in the tables in the Depreciation Study was determined.

b) Please explain how the “book reserve” as of December 31, 2023, in the tables in the Depreciation Study was determined.

c) Please explain how the “calculated accrued” amount as of December 31, 2023, in the tables in Part IX of the Depreciation Study was determined.

d) Please explain how the “future accruals” amount as of December 31, 2023, in the tables in the Depreciation Study was determined.

- 1 e) Please reconcile the December 31, 2023, amounts for “original cost”, “book reserve”,
2 “calculated accrued” and “future accruals” with the beginning balances for the 2024 actual
3 amounts in the continuity schedule in RB-01.
- 4 f) Using Ligan 2 as an example (Part IX in the Depreciation Study, page 200 of 297):
- 5 i. Please explain why the \$0.7 million future book accrual does not appear to be the
6 difference between the original cost of \$86.8 million and either the calculated
7 accrued amount of \$81.6 million, and the allocated book reserve of \$100 million.
- 8 ii. Please explain why the allocated book reserve exceeds the original cost by \$13.2
9 million.
- 10 g) Please explain why an interim survivor curve was used for production plant, but not for all
11 other plant?
12

13 **Request IR-85:**

14 Reference: Exhibit N-7, Appendix 8E

- 15 a) Please explain the difference between the estimated costs to fully decommission NS
16 Power’s hydroelectric system on page 18 of 33 of Appendix 8B and page 14 of 129 of
17 Appendix 8C, and the summary of hydro decommissioning costs in Appendix 8E.
- 18 b) Please provide a detailed breakdown of the of the work and costs by component, that
19 have been removed from the “full” decommissioning costs to determine the “partial”
20 decommissioning costs?
- 21 c) Please provide all information and documentation that supports any claim that NS Power
22 will not be required to undertake “full” decommissioning of the hydro sites.
- 23 d) Please provide NS Power’s justification for putting future customers and shareholders at
24 risk of bearing responsibility for a disproportionate share of decommissioning costs should
25 full decommissioning be required.
26

27 **Request IR-86:**

28 Reference: Exhibit N-7, Appendix 8E

29 NS Power notes it has excluded the costs of decommissioning the Wreck Cove, Mersey and
30 Tuskett hydroelectric assets from the proposed depreciation rates.

- 31 a) Please reconcile the decommissioning costs on page 44 of the application, lines 8-10 and
32 footnote 3, with the full and partial decommissioning costs in Appendix 8E.
- 33 b) Please provide all information and documentation that supports any claim that NS Power
34 will not be required to decommission these sites.

- 1 c) How does removing these costs from rates balance cost recovery and rate pressure for
2 customers when there is no recovery of the decommissioning costs?
- 3 d) Please provide NS Power's justification for putting future customers at risk of bearing
4 responsibility for a disproportionate share of decommissioning costs for these facilities.
- 5 e) Please explain how the 80% renewable electricity standard justifies the assumption that
6 these assets will be operated in perpetuity and never decommissioned.
- 7 f) Please confirm, or explain otherwise, that it is NS Power's position, for the reasons set out
8 in part 8.5 of its application, that it will never be required to decommission the Wreck Cove,
9 Tusket or Mersey systems.

10

11 **Request IR-87:**

12 Reference: Appendix 8G, Depreciation Settlement Agreement

- 13 a) Please confirm, or explain otherwise, that the net effect of the settlement agreement
14 reduces the future accrual amount from the Depreciation Study by \$416 million.
- 15 b) Please confirm, or explain otherwise, that the net effect of the settlement agreement
16 reduces the annual accrual amount from the Depreciation Study by \$19.5 million.
- 17 c) Please quantify the impact of each of the following in contributing to the changes noted in
18 (a) and (b)
- 19 i. Removal of reconnaissance costs included in the Hydro Decommissioning
20 estimates.
 - 21 ii. Removal of contingency costs from generation decommissioning estimates.
 - 22 iii. Reflecting forecast decommissioning costs for all Generation Plant in 2024 dollars
23 (removal of inflation to forecast year of decommissioning).
 - 24 iv. Updating estimated service life of Account 353 - Transmission Station Equipment
25 to 48-R2.5.
 - 26 v. Updating estimated service life of Account 390.10 - General Plant Structures and
27 Improvements to 43-R3.
 - 28 vi. Reducing the Net Salvage Rate for Account 354.00 - Transmission Towers and
29 Fixtures from (40%) to (20%).
 - 30 vii. Reducing the Net Salvage Rate for Account 355.00 - Transmission Poles and
31 Fixtures from (60%) to (20%).
 - 32 viii. Reducing the Net Salvage Rate for Account 365.00 - Distribution Overhead
33 Conductors and Devices from (30%) to (26%).

d) Please explain the reason for the changes in the annual accrual amounts in Table 1 under the settlement agreement (Appendix 8G) from the Distribution Study (Appendix 8A, pages 58-60 of 297) for the following items and why no changes were made to future accruals:

- i. 350.10 – Transmission Plant, Land Rights – Easements
- ii. 360.10 – Distribution Plant, Land Rights – Easements, Surveys and Clearing
- iii. 364.00 – Distribution Plant, – Poles, Towers and Fixtures
- iv. 367.00 – Distribution Plant, Underground Conductors and Devices
- v. 368.00 – Distribution Plant, Line Transformers
- vi. 369.00 – Distribution Plant, Services
- vii. 370.10 – Distribution Plant, Meters – AMI
- viii. 373.00 – Distribution Plant, Street Lighting and Signal Systems
- ix. 373.10 – Distribution Plant, Street Lighting and Signal Systems – LED
- x. 392.00 – General Plant, Transportation Equipment
- xi. 397.00 – General Plant, Communication Equipment

RATE BASE

Request IR-88:

Reference: Exhibit N-5, Appendix 3A, p. 5

NS Power states it intends to file an application seeking approval to decommission the Annapolis Tidal Generation Facility in 2026 and recover the remaining net book value over ten years, including \$2.6 million in the proposed 2027 revenue requirement.

- a) When in 2026 is this application expected to be filed?
- b) Please confirm that approval of the decommissioning and any amortization period will be subject to determination in that proceeding, notwithstanding what NS Power has forecast for its 2027 revenue requirement.

Request IR-89:

Reference: Exhibit N-3 GRA Direct Evidence, Section 9.2.1 Average Capital Assets

On pages 52-53 of its application, NS Power notes that it has removed approximately \$700 million from its rate base for the DDA assets (Point Aconi, Trenton, Point Tupper Marine Terminal, Sydney International Coal Pier, and steam general assets) on the basis that securitization will be in place for these assets by January 1, 2026, and requests that its recovery of depreciation and its return on these assets be deferred on an “interim” basis if securitization is delayed.

- 1 a) Please provide all information and documentation that supports NS Power's belief that
2 securitization will be in place by January 1, 2026.
- 3 b) What is NS Power's present expectation around the likelihood and timing of securitization,
4 including NS Power's separate application to the Board?
- 5 c) Please provide an update on the status of resolution of outstanding issues related to
6 securitization (such as credit rating agency processes, trust indenture, tax).
- 7 d) If the depreciation expense and financing costs of the assets end up being deferred if the
8 securitization is delayed, is NS Power's intention to defer these costs until its next GRA
9 proceeding?
- 10 i. What is the estimated cost of the deferral, in terms of return, for 2026 and 2027?
- 11 e) On page 50 (lines 1-3) of the application, it implies that the securitization may occur in two
12 debt issuances, one for \$500 million in 2025 and another for \$204 million in 2026. Please
13 confirm if that is the case and, if so, explain why this is being done in two tranches.
- 14 f) If the securitization is being done in two issuances, please breakdown a comparison of
15 the extra costs (financing fees, accounting fees, legal fees, etc.) that will be incurred by
16 proceeding in two separate debt issuances instead of one.
- 17

18 **Request IR-90:**

19 Reference: Exhibit N-3 GRA Direct Evidence, Section 9.2.5.6 Retired Assets

20 Please provide a breakdown of the "\$1.7 million related to the unrecovered net book value of
21 certain retired Smart Grid Nova Scotia assets" stated on page 58 of 99.

22

23 **Request IR-91:**

24 Reference: Exhibit N-12, FO-15 Working Capital

- 25 a) Where does the forecast for customer deposits tie to in the forecast financial statements?
- 26 b) Why have customer deposits decreased by approximately 50% in 2026 and 2027 over the
27 2024 test year forecast?
- 28

29 **Request IR-92:**

30 Please list all capital items included in the application which have not yet received NSEB work
31 order approval.

- 32 a) Identify the included amounts for each project along with the associated amount for ROE
33 and the associated depreciation amounts.
- 34 b) Identify when each project will be submitted for Board approval.

Request IR-93:

Please list all capital items included in the rate base which have not received Final Cost approval from the NSEB.

a) Include the approved work order total, the final cost (if concluded), and the amount included in rate base along with the date it was included.

b) For each of the above, list the individual depreciation amounts and ROE amounts included in the application.

Request IR-94:

With respect to rate base and regulated capitalization, please reconcile the two balances as of the December 31, 2023, and December 31, 2024, year ends.

Request IR-95:

On page 93 of the Board Decision [2022 NSUARB 18] in M10206 (NSPML) dated February 9, 2022, the Board advised that it would not permit recovery by NS Power of operating costs of Lingan 2 beyond August 15, 2022, without further order of the Board. In its decision letter approving the LIN2 2023/2024 Winter Capacity project (M11706), the Board approved a request for the inclusion of operating expenses for LIN2 from 2022 to and including Q4 2024 as regulated operating expenditures for the year 2024. However, this approval only applied for operating expenses until the end of 2024. The Board directed that NS Power would be required to seek Board approval of any LIN2 operating expenses beyond that date. In its decision letter dated August 28, 2025, approving the LIN2 2024/2025 Winter Capacity project (M12316), the Board noted NS Power's response to IR-8 that it had operating expenses of \$381,698 in Q1 2025, and that it intended to request Board approval of these costs in a future proceeding. Please confirm whether these costs and other operating costs for LIN2 in 2025 and the two test years are being claimed in this application.

a) If confirmed, please identify the related costs.

Maritime Link

Request IR-96:

Reference: Exhibit N-3 GRA Direct Evidence, 9.3 Maritime Link Capital Applications

On page 60, NS Power addresses the Board's directive from the 2023-2024 GRA Decision regarding inclusion of four Maritime Link transmission projects into rate base. That directive

1 required demonstration that a combination of the wheeling tariff revenue and the economic value
2 of purchased Nalcor surplus energy is at least equal to the combination of depreciation, financing
3 costs, operating costs, and re-dispatch costs over a minimum of four consecutive quarters. Figure
4 9-5 on page 60 lists the total benefits and total costs of Maritime Link utilization for Q2 2024, Q3
5 2024, Q4 2024 and Q1 2025.

6 a) Please provide a breakdown of those total benefits and total costs by each of the
7 categories noted above for each quarter.

8 b) Please state the amount of Nalcor surplus energy purchased in each of the quarters and
9 explain how the dollar amount of benefit was determined.

10 c) Please provide an estimated cost for those same quantities of energy based on the cost
11 of generation which does not include Maritime Link energy.

12 d) Please state the capital costs for each of those four transmission projects and the forecast
13 net book values that have been included in rate base at the beginning of the 2026-2027
14 test period.

15
16 **Request IR-97:**

17 Reference: Exhibit N-3, GRA Direct Evidence

18 On page 61 of the application, NS Power states that since the Maritime Link transmission projects
19 have met the Board's threshold test, the transmission assets are forecast in the test years at their
20 forecast net book value.

21 a) Please provide a continuity schedule from the time of commissioning of the projects,
22 showing the opening rate base amount to be included in the GRA forecast starting January
23 1, 2026.

24
25 ***Lead-Lag Study***

26
27 **Request IR-98:**

28 Reference: Exhibit N-17, SR-04, Attachment 1, Figure 1

29 a) Please confirm, or explain otherwise, that NS Power's working capital requirement is
30 approximately 7% of its net-cash expenses in 2023 and proposed to be 8.4% in 2026 and
31 6.9% in 2027.

32 b) What is causing the significant increase in working capital requirement in 2026?

33 c) Please compare NS Power's working capital requirement to the peer group used in
34 ScottMadden's Benchmarking Analysis Report (OP-03, Attachment 1).

Request IR-99:

Reference: Exhibit N-17, SR-04 Attachment 1, Lead-Lag Study

On pg. 19 of the lead-lag study it is noted that the significant increase in working capital related to taxes is due to customers receiving the benefit of an Investment Tax Credit related to a clean energy storage project prior to the company's receipt of the ITC.

- a) Please confirm, or clarify otherwise, that NS Power will need to pay tax installments during 2026 that it then expects to be refunded in 2027 due to the ITC.
- b) If not confirmed, why does this require an increase in working capital?

CAPITAL STRUCTURE AND FINANCING

Request IR-100:

Section 30(5)(b) of the *Public Utilities Act* directs the Board to set different levels of return on equity for different classes of capital assets of NS Power to ensure that investment incentives are aligned with ratepayer objectives as submitted to the Board in a hearing for a rate change. Please detail how NS Power has addressed this statutory requirement in its application.

Request IR-101:

Reference: Exhibit N-3 GRA Direct Evidence, Section 10 Capital Structure and Financing

With respect to the rate of return earned:

- a) Please identify the actual rate of return that has been earned in each of the past 10 years, starting in 2015 (corrected for removal of Part VI.1 tax transactions from 2022 onward, if applicable).
- b) Please state the allowed range of ROE for each of the past 10 years.
- c) Please identify all years where the rate of return earned has been less than the minimum allowed.
- d) How many of those years in which the rate of return was achieved, were funded, at least partially, with the assistance of reduced tax expense from amended tax filings?

Request IR-102:

Please provide the most recent credit rating reports for NS Power from S&P and DBRS Morningstar.

Request IR-103:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report

- a) Please confirm the dates and target overnight rates (i.e., policy rate) for each change in the policy rate announced by the Bank of Canada from January 1, 2022, to the present
- b) Since NS Power's last GRA in 2022, the Bank of Canada's overnight rate has come down and interest rates in Canada were restrained faster than in the US. Please discuss how this has been accounted for in Concentric's assessment of ROE.

Request IR-104:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report, page 33 of 87

Please explain how the risk profile of the TransCanada Mainline differs from the Canadian electric utilities and the Canadian natural gas utilities included in the Canadian proxy group and how the risk profile was determined.

Request IR-105:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report, page 34 of 87

Please explain how using maintaining cash dividends and growth projections from multiple sources as selection criteria does not bias the proxy group results given the use of these factors in estimation methods for return on equity.

Request IR-106:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report, page 36 of 87

Please explain how the conclusion that NS Power competes for capital equally in the United States accounts for the restrictions on non-Canadian ownership of voting shares and voting restrictions imposed by the *Nova Scotia Power Privatization Act*, SNS 1992, c 8 and the *Nova Scotia Power Reorganization (1998) Act*, SNS 1998, c 19.

Request IR-107:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report, page 37 of 87

Please confirm, or explain otherwise, that on the same page referenced from the recent Ontario Energy Board generic cost of capital decision (EB-2024-0063) the OEB also stated:

The integration of U.S. and Canadian utility markets and the potential lure of higher returns for investors is a factor to be considered in arriving at a final conclusion concerning the requisite ROE that must be provided to meet the FRS. However, the use of U.S. regulated utility data as equivalent to Canadian regulated utility data in any computation is questionable.

Request IR-108:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report, Figure 19, page 43 of 87

a) Please confirm, or explain otherwise, that the Canadian Utility results are heavily influenced by Enbridge Inc., which was noted on page 41 of 87 to have had a significant increase in its payout ratio.

b) Please confirm, or explain otherwise, that excluding Enbridge Inc. from the Canadian Utility results produces a Multi-Stage DCF result of 9.13% (including “flotation costs and financial flexibility”).

Request IR-109:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report, Figure 24, page 49 of 87

Please confirm, or explain otherwise, that using the historical Canadian MRP rather than an average of Canadian and US MRPs produces a CAMP result (including flotation costs) of 9.06%.

Request IR-110:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report, page 43 of 87

With respect to Flotation Costs and Financing Flexibility:

a) Please confirm, or explain otherwise, that a 50-basis point allowance for flotation costs and financing flexibility amounts to approximately \$11.2 million in 2026 and \$11.8 million based on NS Power’s forecast average common equity in those years.

b) Please provide actual costs incurred by or allocated to NS Power for the past five years associated with the sale of new issues of common equity, including out-of-pocket expenditures for the preparation, filing, underwriting, as well as a discount to the share price, and other costs of issuance of common equity.

c) Please elaborate as to why a 50-basis points flotation costs is appropriate for NS Power.

Request IR-111:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report, page 16 of 87

Concentric refers to Canada’s GDP growth increasing in Quarters 2 to 4 throughout 2024. Please update Figure 2 with Canada’s GDP growth to Q2 2025.

Request IR-112:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report, page 17 of 87

Concentric notes Canada's unemployment rate was 6.6% in February 2025 and explains that the unemployment rate is an indicator of the strength of the economy.

a) Please confirm that Concentric considers Canada's unemployment rates over the past 10 years, as presented in Figure 3: Canadian Unemployment Rate, as demonstrating stability, outside of COVID-19 pandemic period.

b) Does Concentric regard the Figure 3 to be reflective of more, less or the same volatility as Figure 6?

Request IR-113:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report, page 18 of 87

Concentric states "For many years, consumer prices in Canada increased by less than 2.0 percent." Please state the years before 2021 that Concentric is referring to.

a) Please confirm that the Bank of Canada has an inflation-control target range of 1-3%.

i. Please identify the years before 2020 where inflation was outside of the target range of 1-3%.

ii. Please confirm, or explain otherwise, that CPI in Canada was within the Bank of Canada's target range in 2024.

b) In reference to CPI 2023, 2024 and 2025:

i. Please compare these figures to the United States.

ii. Does Concentric regard the CPI figures for 2023 and 2024 and the recent 2025 estimates as high and/or unstable?

c) On page 32 of 87, Concentric states at line 23 "inflation has gradually declined to levels slightly above central bank targets". Please confirm that Canada's current Total CPI to be **within** the Bank of Canada's target rather than above target.

Request IR-114:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report, page 32 of 87

Concentric's capital analysis concludes that Canada and the U.S. are comparable in terms of macroeconomic and investment environments and therefore it is reasonable to use U.S. proxy companies.

a) Have any of the listed U.S. proxies determined their Capital Structure using Canadian proxies?

b) If so, please identify which utilities and the Canadian proxies used.

Request IR-115:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report, page 36 of 87

Page 36 states at lines 1-2, "Canadian regulators have adopted a pragmatic view of the use of U.S. data and proxy groups to estimate the allowed ROE for Canadian regulated utilities." Please list the regulators, and the type of utilities, that have adopted the use of U.S. data and proxy groups for estimating ROE since 2022.

Request IR-116:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report, page 42 of 87

Page 42 at lines 15-16 state "In the terminal stage, the dividend cash flow then grows in perpetuity at the same rate as nominal GDP (or a total of 200 years)." Please elaborate on why it is reasonable to assume NS Power's dividend cash flow will grow at the same rate as GDP in perpetuity.

Request IR-117:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report Figure 32: 2023 S&P Credit Metrics Comparison.

a) Please breakout the column for Canadian by the Canadian Electric Utilities listed in Figure 31.

b) Please update using 2024 S&P Credit Metrics.

Request IR-118:

Reference: Exhibit N-8, Appendix 10A, Cost of Capital Report, page 68 of 87

Page 68 references a December 2024 economic forecast by TD Economics and the Conference Board of Canada forecast from April 2024.

a) On September 22, 2025, TD Economic published a new Provincial Economic forecast. The current forecast contradicts several of the weaknesses identified by Concentric such as a limited rise in unemployment; expected spending in the province by federal government's large defense spending plan; positive performance in the goods sector despite Chinese tariffs on seafood; manufacturing sales up; and construction is strong in both residential and non-residential. Does this current forecast change Concentric's expectations of Nova Scotia's macroeconomic situation? Please explain.

b) Concentric cites a Conference Board of Canada prediction in (c) on page 69 of 87, that business investment will be weak because there are no major capital projects in the long

term and housing has slowed. However, in February 2025 the Nova Scotia government announced a \$2.35 billion capital plan for healthcare and housing projects. More recently, in September, the Federal Government created a Major Projects Office and identified strategic areas of focus, including Wind West Atlantic Energy and the Eastern Energy Partnership for the development of new offshore wind resources and related energy infrastructure projects. Do these recent major project investments change Concentric's expectations of weak business investment due to a lack of major capital projects and slower housing?

Request IR-119:

Reference: Exhibit N-8, Appendix 10A, CEA exhibits EO, CEA Summary -1

In CEA Summary -1, why do the proxies use calculated ROEs instead of their Regulated ROE?

- a) Please provide the approved ROE for each proxy company in CEA-1.

Request IR-120:

Reference: Exhibit N-8, Appendix 10A, CEA exhibits EO, CEA-2 Macroeconomic worksheet

- a) Real GDP Growth for Canada 2024 as 1.52808110779434 from Statistics Canada Table 36-10-0104-01 Gross domestic product, expenditure-based, Canada.

- i. Please confirm that the data collected was seasonally adjusted at annual rates.

- a. If confirmed, please confirm or explain otherwise that Real GDP Growth in Canada was 1.6 percent in 2024 according to Statistics Canada Table 36-10-0104-01 Real gross domestic product by expenditure account, year-over-year change – seasonally adjusted at annual rates, chained (2017) dollars.

- b) CPI Change Canada uses Statistics Canada; Consumer Price Index, All items, not seasonally adjusted, please confirm, or explain otherwise, that CPI for 2014 was 2.0 percent.

- c) Please provide the data and calculations for Exports Canada to U.S./Canadian GDP and U.S. to Canada/U.S. GDP.

Request IR-121:

Reference: Exhibit N-8, Appendix 10A, CEA-5 Multi-Stage DCF

CEA-5 Multi-Stage DCF, column [9] uses a GDP Growth (perpetuity) from Consensus Economics Consensus Forecast October 7, 2024, for 2030-2034 = (GSP x (1+ CPI)) +CPI. The Canadian

Proxy Group formula uses $= (0.019 \times 1.21) + 0.021$ and the U.S. Electric Proxy Group formula uses $= (0.019 \times 1.22) + 0.022$.

a) Is the Canada Proxy Group GDP estimate for Canada or Nova Scotia or the U.S.?

b) Is the Canada Proxy Group CPI estimate for Canada or Nova Scotia or the U.S.?

i. Why has the mid point of the Bank of Canada's inflation target range not been used for the Canada Proxy Group?

Request IR-122:

Reference: Exhibit N-3, GRA Direct Evidence

On pages 68-69 of the application, NS Power states that it forecasts to be above the 10% FFO-to-Debt requirement to maintain its current credit ratings, assuming approval of the proposed rates in the application and a successful securitization of the net book value of the thermal assets. Otherwise, it projects it would fall below the 10% threshold by 2027 (ref. to Figures 10-2 and 10-3).

a) Please provide the estimated percentage FFO-to-Debt for both S&P and DBRS (for both test years) if the securitization does not occur.

Request IR-123:

Reference: GRA Direct Evidence, Appendix 10A

Since the 2023-2024 GRA was conducted, a number of significant developments have occurred or are planned:

- In April 2024 in Matter M11393, the Board approved a Fuel Adjustment Mechanism (FAM) Rider that followed the sale of \$117 million in unrecovered fuel costs from NS Power to the Province, deferring the collection from ratepayers over a 10-year period (2024 NSUARB 71).
- In November 2024 in Matter M11791, the Board approved a Supplemental Assessment by NSPML, representing the annual amount recoverable from NS Power and charged to NS Power's customers, when NSPML issued \$500 million of new debt repayable over 28 years supported by a Government of Canada Federal Loan Guarantee, with the \$500 million (less financing fees) refunded to NS Power's customers to be applied against the FAM balance of unrecovered fuel costs.
- The Bank of Canada's overnight rate has decreased from 3.25% on September 8, 2022 (and later at 3.75% on October 27, 2022) down to 2.5% as of September 17, 2025.

- 1 • In February 2024, the Province passed the *Energy Reform (2024) Act*, which provided for
2 the creation of the Nova Scotia Independent Energy System Operator (NSIESO). This
3 statute will transition NS Power's system planning, transmission interconnection and
4 energy and capacity procurement functions to the NSIESO, starting with a transfer of
5 some of the functions in October 2025.
- 6 • In the present application, NS Power stated it intends to apply to the Board for approval
7 for the securitization of about \$704 million of thermal assets by the end of 2025, saving
8 customers as much as \$90 million over 2026-2027 by removing these assets from NS
9 Power's rate base and financing them through lower-cost debt.
- 10 a) Please confirm that the above factors each have a positive impact on the business and/or
11 financial risk profile of NS Power. If not, why not?
- 12 b) How did Concentric reflect the above factors in its ROE analysis prepared for NS Power?
- 13 c) Given the above developments, why was Concentric's recommended ROE for NS Power
14 not materially lower than in its evidence in the 2023-2024 GRA?

15 16 **REVENUE REQUIREMENT**

17 18 **Request IR-124:**

19 Reference: Exhibit N-3, 11.2 Revenue Requirement Categories

20 Please reproduce Figure 11-1 with additional columns to show the revenue breakdown for each
21 of 2023, 2024, and 2025.

22 23 **Request IR-125:**

24 Reference: Exhibit N-3, 11.2 Revenue Requirement Categories, p.75 and Exhibit N-6(ii)

25 In the NSIESO's application for its revenue requirement for the year ending March 31, 2026, it
26 estimated that 23 employees would be transferred from NS Power to the NSIESO in that year.
27 Board staff notes a reference in NS Power's GRA application to three employees transferred
28 under control center labour, and an unspecified number under T&D Contractor Management
29 labour.

- 30 a) Please identify the number of employees forecast to be transferred under T&D Contractor
31 Management in each of 2025 and 2026.
- 32 b) Are there employees under any other cost categories forecast to be transferred to the
33 NSIESO in 2025/2026? If so, please provide the details.

- 1 c) If the total employees forecast to be transferred in 2025/2026 are less than 23, please
2 explain the difference in the forecast from what was provided by the NSIESO.
- 3 d) Please provide an update on the status of employees transferring in phase one.
- 4 e) When does NS Power expect phase two of the employee transfer to occur?
- 5 f) Noting that the NSIESO has forecast phase two of the transfer to occur in Q2 of 2027,
6 why has NS Power forecast the transfer as of the start of 2027?
- 7 g) Is the entire \$4.5 million reduction in 2027 under control center labour?
- 8 h) Is NS Power intending to defer these employees' salaries as incurred as of the start of
9 2027 if they have not yet been transferred?
- 10 i) Does NS Power propose to defer this amount until its next GRA?
- 11 j) Will the financial position of the utility factor into a decision to defer the amount? i.e. Does
12 NS Power intend to defer the amount even if its 2027 ROE is above the approved amount?
- 13

14 **Request IR-126:**

15 Reference: Exhibit N-3 GRA Direct Evidence, 11.2 Revenue Requirement Categories, p. 74
16 NS Power requests the ability to create a deferral to allow it to recover the incremental tax
17 expense of approximately \$7.0 million if the EIFEL exemption is not enacted.

- 18 a) Does NS Power propose to defer this amount only if total expense is at least \$7.0 million
19 higher than forecast in the GRA test year forecast?
- 20 i. If not, why should NS Power be able to defer this amount if other tax related items
21 are under forecast and offset the increase?
- 22

23 **COST OF SERVICE**

24

25 **Request IR-127:**

26 Please provide a table, similar to the table in Exhibit N-9, Appendix 12A(3), on p. 242 of 310,
27 comparing allocated costs under the existing and proposed cost of service methodologies.

28

29 **Request IR-128:**

30 Reference: Exhibit N-3 GRA Direct Evidence, Section 12 Cost of Service, p.76
31 NS Power notes that "the Parties are in agreement that the use of the Minimum System
32 methodology after the 2026-2027 test period will be subject to a future proceeding and
33 determination by the Board, for which an application will be made in 2026". Board staff notes that
34 the Board stated the following in a recent rate application of Mahone Bay: "The Board anticipates

1 that [use of the minimum system method] may be one that is more thoroughly considered in this
2 jurisdiction when NS Power completes its next cost-of-service study, which is expected no later
3 than December 31, 2025" [2023 NSUARB 66].

- 4 a) Please provide the outcome of the cost of service study if the distribution classifications
5 that have used the minimum system methodology instead were classified 100% to
6 demand.
- 7 b) Please provide Figure 14-1 "Percentage Increase by Customer Class" that would result if
8 the change noted in part a) was made to the cost of service.

9

10 **Request IR-129:**

11 Reference: Exhibit N-3 GRA Direct Evidence, Section 12.4 PHP COSS Treatment

12 On page 79 of 99, NS Power stated:

13
14 In addition, PHP's ATL treatment includes the value of priority interruption service provided,
15 if any. For the purpose of modelling, the value of priority interruption service has been
16 applied as a 10 percent premium to the LIIR credit.

- 17
- 18 a) Please explain how the priority interruption service would differ from the current practice.
- 19 b) Please list the number of PHP interruptions during the past three years, as well as during
20 2025 YTD.
- 21 c) Please explain how the 10% premium was determined to be appropriate.

22

23 **Request IR-130:**

24 Reference: Exhibit N-3 GRA Direct Evidence, Section 12.4 PHP COSS Treatment

25 On page 80 of the application, NS Power proposed a PHP Deferral account for revenue variances
26 between Board-approval of a tariff for PHP to be determined at a later date and NS Power's
27 assumptions included in the cost of service study used in this application.

- 28 a) Please confirm, or explain otherwise, that the potential variances relate to differences in
29 the assumed and proposed tariffs, and not for revenue variances for other reasons.
- 30 b) Please list and explain the assumptions NS Power has included about the tariff to be
31 approved for PHP in the GRA COSS.
- 32 c) Please explain how revenue variances due to changes in assumptions about PHPs load
33 and load profile would be isolated from changes related to differences in the assumed and
34 approved tariffs.
- 35 d) Please outline the amount, by month, that the actual revenue amounts will be measured
36 against in order to calculate any deferral.

e) Please provide NS Power's best estimate of the amount deferred by month, if PHP does not take service under an above the line rate in the test years.

RATE DESIGN AND PROPOSED RATES

Request IR-131:

Reference: Exhibit N-3 GRA Direct Evidence, Section 2.1 Electricity Rate Impact

Regarding Figure 2-1 of the application, please identify and quantify the specific factors that are causing rate increases for Domestic Class customers that are approximately double the system average increase.

Request IR-132:

Reference: Exhibit N-3 GRA Direct Evidence, Section 13 Rate Design

On page 81 of the application, NS Power notes it is not proposing to introduce new concepts or materially modify any of its rate design. Please describe any work NS Power has done to develop new or innovative rate designs to leverage more granular data from AMI meters, promote efficient use of system resources, or address emerging or anticipated electricity and energy market changes due to decarbonization, decentralization of energy resources, or other factors.

Request IR-133:

Reference: Exhibit N-3 GRA Direct Evidence, Section 13 Rate Design

On page 81 of the application, NS Power notes its proposed increases in the customer charges for domestic and small general customers have been capped relative to what they would be if set directly based on changes in the customer-related costs from the 2026-2027 COSS. Please provide a table showing the differences (in \$ and cents/kWh) for the proposed customer charges and energy rates for these classes to the customer charges and energy rates based on the 2026-2027 COSS.

Request IR-134:

Reference: Exhibit N-3 GRA Direct Evidence, Section 13 Rate Design

On page 81, NS Power stated:

If the customer charges were to be set directly based on changes in the customer-related costs from the 2026-2027 COSS, they would show about a 50 percent increase in 2026 followed by a minor a single digit increase in 2027.

- 1 a) Please explain the main factors contributing to the 50% increase.
2 b) Please state the single digit increase in 2027 and the main contributing factors.
3

4 **Request IR-135:**

5 Reference: Exhibit N-3 GRA Direct Evidence, Section 13 Rate Design

6 On page 82 of the application, NS Power notes that it has updated the interruptible credit for the
7 Large Industrial Interruptible Rider. Please compare the avoided cost of a combustion turbine to
8 the avoided cost of capacity used for DSM programs.
9

10 **Request IR-136:**

11 Reference: Exhibit N-4, PR-01 Attachment 01D, Domestic Service Time-of-Day Tariff

- 12 a) Please provide a copy of the charges as originally approved for this tariff and explain the
13 rationale used to set the peak, shoulder, and off-peak rates.
14 b) Please provide the value of the shoulder and off-peak rates as a percentage of the peak
15 rate for the originally approved tariff and for the proposed 2026 and 2027 tariffs.
16 c) If the percentages have changed since originally approved, please explain how those
17 amendments were justified.
18

19 **Request IR-137:**

20 Reference: OATT Updates SR-01 Attachment 1e

21 On page 32 of 42, NS Power stated:

22
23 However, as part of developing this consensus GRA, it was agreed that for the 2026-2027
24 test periods the costing approach will utilize 50 percent of the estimated average hourly
25 demand of LIIR interruptible load as 10-minute operating reserve on a day ahead basis.
26 With the average hourly interruptible load under the Large Industrial Rate class, estimated
27 to be 70 MWs, the required 10 minute Supplemental capacity of 136 MWs is reduced by
28 35 MWs to 101 MWs for the pricing purposes of this service in tab "Anc Serv – Fig 6-8" of
29 SR-01 attachments 11 and 13.
30

- 31 a) Please explain the rationale for selecting 50% as the appropriate value for the costing
32 amendment.
33 b) What is the dollar impact resulting from this costing amendment?
34

35 **Request IR-138:**

36 Reference: OATT Updates SR-01 Attachment 1e

37 On page 42 of 42, NS Power stated:

1 ... NS Power conducted an analysis of historical day-ahead dispatch plans for the years
2 2021 to 2023. On average, the Combustion Turbines (CTs) were dispatched to fulfill
3 approximately 35 percent of the 30-Minute Supplemental Reserve requirement each hour.
4

5 Given this change, NS Power has adjusted the cost allocation in this GRA application for
6 30-Minute Supplemental Reserve to account for the contribution that CTs make in the
7 provision of 30-Minute reserve, as per this analysis.
8

9 a) What is the dollar impact resulting from this adjusted cost allocation?
10

11 **Request IR-139:**

12 Reference: Exhibit N-3, GRA Direct Evidence, Page 18

13 Figure 2-2 provides the proposed rate summary.

14 a) Please explain the factors which have caused the 2026 demand charge to materially
15 decrease for the General Tariff, Large General Tariff, the Industrial Tariffs and the
16 Municipal Tariff.

17 b) If the changes to the demand charge flow from the revised cost of service study, please
18 explain the factors that contributed to the changes across these customer classes.
19

20 ***Storm Cost Recovery Rider***

21
22 **Request IR-140:**

23 Reference: Exhibit N-3 GRA Direct Evidence, Section 13.6, Storm Cost Recovery Rider (SCRR)

24 a) Please explain why the initial term of the SCRR was not sufficient to reach conclusions or
25 recommendations, such that there is now a need to extend the pilot for two more years.

26 b) What is the proposition intended to be tested during the extended pilot phase?

27 c) How will success of the pilot be determined?

28 d) Please identify all metrics that will be used to assess the success or failure of the pilot
29 extension, and any thresholds or benchmarks hoped to be achieved.
30

31 **Request IR-141:**

32 Reference: Exhibit N-3 GRA Direct Evidence, Section 13.6, Storm Cost Recovery Rider (SCRR)

33 On pages 84-85 of the application, NS Power outlines the key elements of a "permanent" SCRR.

34 a) Please confirm or explain otherwise, that Board is not being asked to approve a permanent
35 SCRR in this proceeding, only a two-year extension of the existing pilot, modified to be
36 more symmetrical.

- b) Please confirm that any underspend of Level 3 and 4 storm compared to the amount in base rates in a year is automatically credited to customers each year.
- c) Please confirm, or explain otherwise, that if there is an overspend of Level 3 and 4 storm costs compared to the amount in base rates in a year, NS Power must apply by April 30 to recover the shortfall (through a combination of rider adjustments or drawing down the SCRR Customer Account), and if no application is made, recovery of the overspend in that year is foregone.
- d) Given that the application is for a two-year extension of the pilot, please confirm or explain otherwise, that if the pilot ends, NS Power will return any underspend balances in the SCRR Customer Account to customers at that time, rather than after “three consecutive years”.
- e) Please confirm, or explain otherwise, that the cost of financing the deferral or return is subject to s. 64AB of the *Public Utilities Act*.

Request IR-142:

Reference: Exhibit N-3 GRA Direct Evidence, Section 13.6, Storm Cost Recovery Rider (SCRR)

On page 84, NS Power is “...asking that the SCRR be in place on a symmetrical basis for 2026 and 2027, which would allow recovery of Level 3 and 4 storm OM&G restoration costs above those included in revenue requirement or for any underspend of such costs to be returned to customers, **in each year**.” [emphasis added] However, the bulleted key elements of the SCRR proposes accumulating any Level 3 and 4 underspend for three consecutive years or until a threshold amount of \$2.5 million is reached. If actual Level 3 and 4 storm costs exceed the amount in base rates, NS Power intends to request approval to recover the shortfall effective January 1 of the following year.

- a) Please explain how that proposal is symmetrical for both NS Power and its ratepayers.
- b) Please explain why any storm cost underspend should not be returned to ratepayers effective January 1 of the following year.
- c) Please update Figure 13-2 to include each of 2020 to 2025.

DSM Rider

Request IR-143:

Reference: Exhibit N-3 GRA Direct Evidence, Section 13.5 DSM Rider

On page 82, NS Power stated:

1 NS Power is not proposing changes to the DSM rider amounts for 2026 or 2027. However,
2 NS Power is proposing changes to how the Balance Adjustment (BA) is calculated.

- 3
4 a) Please provide an illustrative example of how the proposed BA will be calculated.
5 b) Please provide the justification for the proposed change to the Balance Adjustment
6 component of the DSM rider.
7 c) Please explain whether the 2027 DSM expense of \$63.8 million shown in Figure 11-1 was
8 confirmed by EOne based on their anticipated portfolio. If not, please explain why not.
9 d) Please explain whether NS Power has requested EOne to include any specific DSM
10 initiatives in its 2026 or 2027 portfolio. If so, please identify those initiatives and the
11 associated expenditures included in NS Power's revenue requirement. If not, please
12 explain why not.

13
14 ***Advanced Meter Infrastructure (AMI) Opt-Out Fee***

15
16 **Request IR-144:**

17 Reference: Exhibit N-3 GRA Direct Evidence, Section 13.7, AMI Opt-Out Fee

- 18 a) Please describe any limits NS Power currently faces in reading AMI meters over the air
19 as a result of its cybersecurity breach.
20 b) Please describe all arrangements NS Power continues to make to manually read AMI
21 meters due to the cybersecurity breach.
22 c) If NS Power is currently manually reading AMI meters due to the cybersecurity breach,
23 please provide all available information that identifies when the need to manually read AMI
24 meters will end.
25 d) Please confirm, or explain otherwise, that to the extent that NS Power needs to manually
26 read AMI meters in 2026 and 2027, the incremental cost for manually reading opt-out
27 customers presented in NS Power's application for the test years is no longer accurate
28 since opt-out customer meters can easily be read at the same time their non-opt out
29 neighbours' meters are being read.

30
31 **Request IR-145:**

32 Reference: Exhibit N-8, Appendix 13A, page 6 of 14

33 NS Power stated that it has refreshed its jurisdictional review using the same utilities included in
34 its 2017 summary. Appendix 13B lists four Canadian utilities and six USA utilities.

1 a) Has NS Power reviewed opt-out policies for any electrical utilities other than the 10 utilities
2 listed in Appendix 13B? If so, please identify those utilities.

3 b) Based on its knowledge or research of other jurisdictions, please identify any electrical
4 utilities that do not charge a meter read opt-out fee.

5
6 **Request IR-146:**

7 Reference: Exhibit N-8, Appendix 13A, page 7 of 14

8 NS Power stated that approximately 41.5% of the total AMI project costs were for the AMI meters
9 themselves, and that most non-standard meters are also AMI meters, so all customers should
10 contribute to that capital investment.

11 a) What portion of the remaining 58.5% of total AMI project costs are associated with
12 components (e.g., labour, material, equipment, communication networks, software,
13 training, etc.) that are not directly required by opt-out customers?

14
15 **Request IR-147:**

16 Regulation 5.1 provides customers with the ability to record their meter readings and submit those
17 to NS Power for billing purposes. That Regulation also states that an actual reading must be taken
18 by NS Power at least once within a 12-month period for meters which are read bi-monthly and
19 once within a 6-month period for meters which are read monthly.

20 a) Please confirm NS Power's understanding that Regulation 5.1 is a Board-approved
21 regulation and the Board has the authority to make changes to that Regulation.

22 b) Please identify any legal or other regulatory requirements which stipulate that the
23 Company must perform those 12-month or 6-month meter readings.

24
25 **Request IR-148:**

26 Reference: Exhibit N-8, Appendix 13A, page 8 of 14

27 NS Power stated that customer-submitted meter readings can result in intentional misreporting
28 and that it could be challenging to accurately capture consumption readings on the AMI digital
29 meters. It also stated that 177 customer accounts submitted a postcard or photo meter reading in
30 2024.

31 a) Does reference to "customer accounts" also indicate that only one photo or postcard meter
32 reading was submitted by each of the 177 accounts?

33 b) Please state how many of those customer-submitted photo or postcard readings were
34 determined to be incorrect.

- 1 c) Please indicate whether short video or other instructional material is, or can be, available
2 to assist customers to correctly record their AMI digital meter readings.
- 3 d) Please confirm whether NS Power has the ability to identify anomalies which might
4 indicate incorrect meter readings (whether intentional or not) and takes steps to rectify
5 those occurrences.
- 6 e) Please state the number of such events in each year since AMI approval in 2018.

7

8 **Request IR-149:**

9 Reference: Exhibit N-8, Appendix 13C

10 NS Power stated:

11
12 As of April 1, 2025, approximately 97 percent of AMI meters have been migrated to fully
13 automated meter reading and billing using AMI meter data, known as Over-the-Air (OTA)
14 billing. All meters that are able to be migrated to OTA billing have been successfully
15 transitioned.

- 16
- 17 a) What is the status of the remaining 3% of AMI meters?
- 18 b) Other than opt-outs, what is preventing migrating AMI meters to OTA billing?
- 19

20 **Request IR-150:**

21 Reference: Exhibit N-8, Appendix 13C

22 NS Power stated there are approximately 18,140 opt-out customers who continue to have their
23 meters read manually at the meter every other month (i.e., six readings per meter). It also states
24 that in 2024, NS Power completed approximately 100,000 manual reads for opt-out customers at
25 a total cost of approximately \$1.1 million, which includes carrying costs, depreciation, and tax
26 expenses. This roughly translates to about \$11 per reading. If NS Power's proposal to reduce six
27 readings per meter per year down to two readings, the annual reads would be about 33,333 and
28 the annual cost might be about \$22 per year or about \$1.83 per month. Presumably not all meter
29 reading expenses would be reduced proportionally when the number of total readings are
30 reduced. However, NS Power's suggested fee for domestic customers is \$3.81 per month, which
31 is more than double the actual cost it incurred in 2024. Please explain, by way of an illustration,
32 where those additional costs causing the doubling effect are incurred.

33

34 **Request IR-151:**

35 Reference: Exhibit N-8, Appendix 13C

36 NS Power provides the following details for 2024:

- 37
- Approximate number of opt-out customers is 18,140;

- Approximate number of completed manual meter readings is 100,000;
- Approximate total Meter Services Expenses of \$1.1 million;
- Approximate number of inbound calls from opt-out customers was 650; and
- Approximate Customer Care Expenses was \$10,000.

In its opt-out cost development for 2025, provided as PR-02 Attachment 1, NS Power uses:

- Opt-out customers of 18,819 (reduced to 13,862 in 2026 and 11,089 in 2027);
- Manual meter readings of 41,258 (reduced to 31,343 in 2026 and 25,798 in 2027);
- Meter Services Expenses including carrying costs, depreciation, and tax of \$734,842 (reducing to \$701,141 in 2026 and \$663,469 in 2027).
- Generated Customer Care Calls of 13,333 (reduced to 9,821 in 2026 and 7,857 in 2027);
- Opt-out Customer Care Cost of \$144,863 (reduced to \$129,743 in 2026 and \$101,948 in 2027); and
- Proposed opt-out monthly charge of \$3.81 in 2026 and \$4.47 in 2027.

- a) Please explain the large discrepancies between the 2024 actual values provided in Appendix 13C and the cost development values for 2025 used in PR-02 Attachment 1.

REGULATIONS

Request IR-152:

Reference: PR-03 Attachment 01c

Attachment 01c shows NS Power's proposed increases to its Schedule of Charges (Regulation 7.1). Those proposed increases cover a wide range, some around 6%, while other are around 20%, 30%, and even 50%.

- a) Please provide specific justifications for each of the proposed increases.
- b) Please explain why different charges are proposed for items a) and e) when both apply to customers equipped with a remote connect-enabled meter.