Nova Scotia
POWER
An Emera Company

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October 9, 2025

Crystal Henwood
Regulatory Affairs Officer/Clerk
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax, NS B3J 3S3

Re: M12499 – Nova Scotia Power Inc. – Proposed Approach for the 2025/26 Time Varying Pricing Tariffs

Dear Ms. Henwood:

On October 1, 2025, Nova Scotia Power (NS Power, Company) submitted an update regarding the systems required to complete the Year Four (2024/25) Time Varying Pricing (TVP) Evaluation Report along with a proposed approach for the 2025/26 TVP Season (November 1, 2025 to March 31, 2026).

By letter dated October 7, 2025, in accordance with NS Power's request, the Nova Scotia Energy Board (NSEB, Board) provided an expedited timeline for the Board's and parties' review of the Company's application, including comments from interested parties no later than Friday, October 17, 2025. The Company thanks the Board for its timely response and the establishment of the expedited regulatory process.

In the Board's letter, it is noted that the Company's proposal "raise[d] some questions for the Board."[1] In light of the accelerated timeline for interested parties to review and provide comments, NS Power respectfully submits this correspondence in response to the questions noted by the Board, with the intention of supporting parties in the preparation of their comments and assisting the Board in its review of NS Power's October 1 Submission. Please refer to the summary in Table 1.

[1] M12499 – NSEB Letter, 324825, page 2. October 7, 2025.

Table 1 –NSEB Question/Comment and NS Power's Response/Clarification

Question/Comment as stated in the NSEB's October 7, 2025 Letter[2]	**NS Power's Response/Clarification**
The Company has not explained how it developed the proposed rates or how it determined they were appropriate.	The rates proposed in Schedules A1 to F2, and summarized on pages 5-7 of NS Power's October 1 Submission, are the current Time-of-Use (TOU) and Critical Peak Pricing (CPP) winter off-peak period rates, as approved by the Board prior to the November 1, 2024 start of the 2024/25 (Year Four) TVP Season.[3] As noted in NS Power's October 1 Submission, interval meter data retrieval has not yet been restored, which prevents accurate application of on-peak, off-peak, and critical peak event rates for billing purposes.[4] As a temporary measure, NS Power proposes applying the approved winter off-peak rates in all hours during the 2025/26 TVP Season (November 1, 2025 to March 31, 2026). This approach minimizes disruption to both customers and the TVP pilot, compared to reverting participants to the standard offer rate (SOR)[5] applicable to their class.
Further, it did not explain why "pilot" customers should be offered lower rates than normal customers even though the "pilot" customers would be taking power like normal customers (i.e., the same service) until system functionality is restored.	The TOU and CPP Tariffs were designed through stakeholder engagement under proceeding M09777. TOU rates feature a 2:1 on-peak to off-peak price ratio, while CPP rates apply a 10:1 ratio during designated critical peak events. Additionally, for the reasons discussed below regarding "adjusting the TVP rates in the interim to be the same as the rates for normal customers in the respective classes," the proposed approach effectively aligns the TOU customer winter on-peak prices with the applicable SORs. As described in NS Power's October 1 submission, if the ability to notify customers of critical peak events is restored before March 31, 2026, NS Power may resume scheduling and notifying customers of events,[6] which may reduce the estimated cost impact of not billing CPP customers for these events or, subject to the timing of system availability, provide an opportunity to review participant response to CPP events in the modified program.

[2] M12499 – NSEB Letter, 324825, page 2.
[3] In the Company's 2024/25 TVP Application (M11822), the Board approved the rates proposed in this application for the Domestic TOU, Domestic CPP, Small General CPP, and General CPP on September 23, 2024 (document 315765). The rates proposed in this application for the Small General and General TOU Tariffs, respectively, were approved by the Board as part of its February 2, 2023 Decision (document 300864) on the 2023-2024 General Rate Application (M10431).
[4] M12499 – NS Power, Year Four (2024/25) Evaluation Report Update and Proposed Approach for 2025/26 Time Varying Pricing Tariffs, page 3. October 1, 2025.
[5] Standard offer rate (SOR) refers to the rate that non-pilot participants would pay for the same service – e.g. for Domestic customers, excluding riders, the current SOR (effective January 1, 2024) is 16.931 cents per kWh. For comparison purposes, the current winter on-peak Domestic TOU rate, excluding riders, is 33.862 cents per kWh (or 16.931 * 2) and the winter off-peak rate is the same as the Domestic SOR rate (16.931).
[6] M12499 – page 4 and page 8.

Question/Comment as stated in the NSEB's October 7, 2025 Letter[2]	NS Power's Response/Clarification
Did NS Power consider simply adjusting the TVP rates in the interim to be the same as the rates for normal customers in the respective classes? If so, why was this approach not adopted?	With respect to the winter period pricing, this alternative (reverting TVP customers to SOR) is described as Option B in NS Power's October 1 Submission.[7] While Option B would align rates with those of non-participating customers, it would also terminate all pilot participation. Since TVP Tariffs are opt-in, reversion to SOR would necessitate re-enrollment once systems are restored, potentially disrupting customer engagement and undermining continuity in the pilot. For further clarification, just over 67 percent of the approximate 8,000 customers enrolled in TVP, are enrolled in the Domestic TOU Tariff. Under the proposed approach, TOU Tariff customers are only billed at the winter off-peak rate for the five-month TVP Season, which is equivalent to the SOR for the Domestic class. Reverting these customers to Domestic SOR would result in the same per-kWh charge over the same period but would require re-enrollment once systems are restored, as TVP participation is opt-in. Further, in determining the Company's proposed approach several factors were taken into consideration: the Company's proposal avoids a poor customer experience with the Pilot leading to a reduced ability to, or increased cost of, future enrollment, the lead time to establish current participation levels, and the resulting impact of low participation to NS Power's peak load reduction targets. While the application of the winter off-peak rates will reduce revenue received by the Company over the 2025/26 TVP Season, this is expected to be partially offset by the incremental costs that would be required to restart the TVP program (e.g. customer communications and marketing updates, customer recruitment, delays in system savings). With respect to reverting customers to the SOR outside of the winter season, such a change is considered overly disruptive to the program with the potential to undermine the long-term viability of the program.
NS Power did not indicate whether the TVP rates would be restored when the system functionality resumed, which it expects by year end.	Under the proposed approach, TVP customers are billed at the winter off-peak rates until the end of the winter TVP Season. Beginning April 1, 2026, the standard non-winter rates would resume as part of the usual annual process, regardless of whether system functionality has been fully restored. This approach is consistent with the Board-approved tariff provisions and the treatment applied to TVP customer bills since the cyber incident. The tariff administration challenges raised in the Company's October 1 Submission relate specifically to accessing interval meter data required to apply time-differentiated rates to TVP customer bills and the systems required to notify CPP participants of scheduled critical

[7] Please refer to page 3 of the October 1 Submission.

Question/Comment as stated in the NSEB's October 7, 2025 Letter[2]	NS Power's Response/Clarification
	peak events. The system restoration expected by year-end pertains specifically to regaining access to the data required to finalize the Year Four (2024/25) Evaluation Report,[8] rather than the tariff administration challenges for the winter TVP Season.
Also, NS Power said it informed the Consumer Advocate and Small Business Advocate of its proposal, but it did not indicate whether they supported the proposal or whether other interested parties were canvassed.	In light of the short timeline between the Company's October 1 Submission and the start of the 2025/26 TVP Season, NS Power discussed its proposed approach with the Consumer Advocate and the Small Business Advocate but did not request the advocates' positions on the matter. Other stakeholders were not canvassed in advance due to the same time-related restraints. However, this correspondence has been shared with the Board's broader distribution list (for M11822 interested parties). NS Power continues to welcome stakeholder input through continued engagements on the TVP tariffs and in other interrelated matters (e.g. Smart Grid Nova Scotia, Distributed Energy Resources Integration Roadmap).

The Company remains committed to managing the TVP pilot in a structured, analytics-driven and collaborative manner. While the impact of the cyber incident on the TVP program is unfortunate, the Company believes the proposed approach most effectively mitigates its long-term effects and best serves the near and longer-term interests of both program participants and non-participants.

The Company appreciates the Board's support in addressing this application in an expedited process, and thanks all parties for their attention to this matter.

Yours truly,

Kathleen Murray

Kathleen Murray
Regulatory Counsel

[8] Please refer to the 'Year Four (2024/25) TVP Evaluation Report Update' on page 7 of the October 1 Submission.