Blackburn Law Inc.

October 17, 2025

VIA EMAIL

Ms. Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax NS B3J 3S3

Dear Ms. Henwood:

Re: M12499 Nova Scotia Power Inc. Application for Approval of 2025/26 Time Varying Pricing Tariffs

On July 18, 2025, Nova Scotia Power (NS Power) requested an extension to the original filing deadline of July 31, 2025 for its Year Four (2024/25) Time Varying Pricing (TVP) Evaluation Report (Year Four Report)[1]. On July 22, 2025, the Nova Scotia Energy Board (the "Board") agreed to defer the filing but also requested more information on the specifics that would be included in the Year Four Report[2].

Subsequently, on October 1, 2025, NS Power filed an application for an expedited approval process for its request to extend its Time Varying Pricing (TVP) Tariffs, to be effective November 1, 2025 (the "Application")[3].

The Application included tariffs proposed to accommodate the impact that the Spring 2025 cyber security incident had on NSPI's ability to access billing data and issue event notifications to customers participating in the TVP program. The Application refers to the possibility of NS Power gaining the ability to issue CPP event notifications on or before March 31, 2026[4], however there is no commitment to that timing, nor is there any estimate provided with respect to the TOU pilot.

[1] M11823, NS Power – Time-Varying Pricing Pilot Program – 2023/2024 (Year Three) Evaluation Report (the "Year Three Report"); Doc # 98623, Letter from NS Power requesting extension, (the "Extension Request"), July 18, 2025.
[2]. M11823, the "Year Three Report"; NSEB letter granting extension for filing, , July 22, 2025.
[3] M12499, Exhibit N-1 NS Power Year Four (2024/25) Evaluation Report Update and Proposed Approach for 2025/2026 Time Varying Pricing Tariffs, (the "Application")
[4] M12499, ExhibitN-1, the Application, page 4 of 10

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Notably, in the Cyber Security Update 2 provided to the Board on October 1, 2025, NS Power estimated that full recovery was likely to extend through 2026[5].

Revised TVP Pilot Program:

In the Application, NS Power stated that the impact of the cyber security incident prevents it from proceeding with standard TVP billing or critical peak event notifications. The impact of this includes unresolved system limitations such as interval meter data retrieval impacting on-peak, off-peak, and critical peak event rates for billing purposes; customer notification systems for critical peak events; and customer-facing tools, limiting their customers' ability to monitor their response to winter peak periods:

> The cybersecurity incident continues to affect both the systems used to administer the TVP program and the ability to access the data required for evaluation. Given the complexity and interdependencies of these systems, restoration is proceeding in phases – i.e. starting with basic functionality and progressing toward more advanced capabilities. TVP administration requires sophisticated cross-platform integrations, and several core systems, including those required to bill TVP Tariffs, support customer engagement, and provide event management, are not expected to be fully operational by the start of the 2025/26 Season (November 1, 2025).[6]

As a result, NS Power proposed the following two options under which the TVP program could continue:

Option A – maintain TVP Tariffs with suspended on-peak and critical peak event billing, or
Option B – fully pause the TVP program and revert participants to the standard offer tariffs[7].

NS Power indicated, in the Application, its clear preference for Option A, taking the position that "[t]his approach preserves customer enrollment, supports longer-term continuity of the TVP program, and minimizes disruption for customers."[8]

The Small Business Advocate (SBA) respectfully submits, however, that, while NS Power's Option A may appear to maintain the status quo, it requires several changes to NS Power's existing TVP procedures:

- CPP and TOU participants will have to be contacted in advance of November 1, 2025 and informed that they will continue to be enrolled in their respective TVP Tariffs, and that only the winter off-peak rates applicable to their respective Tariffs will apply during the 2025/26 winter season;
- As the System Operator is unable to notify customers of upcoming critical peak events, no CPP event notices will be issued during the 2025/2026 winter season, unless notification becomes possible at some point.

[5] M12273 NS Power Cybersecurity Incident Monthly Update No. 2, October 1, 2025, Recovery Timeline, page 16 of 16
[6] M12499 Exhibit N-1, the Application, page 2 of 10.
[7] M12499 Exhibit N-1, the Application, page 3 of 10
[8] M12499 Exhibit N-1, the Application, page3 of 10

- In the event that NS Power does become able to issue CPP event notifications prior to March 31, 2026, NS Power proposes that it will provide 30 days' notice to customers and the Board of its intent to:
  1) resume scheduling and notifying customers of critical peak events;
  2) continue billing customers at the winter off-peak rate until March 31, 2026;
  3) and encourage load shifting during critical peak events, in accordance with standard Tariff procedures[9].

Issues:

The SBA has reviewed NS Power's Application and the related filings including the above referenced correspondence between NS Power and the Board. The SBA notes that four of the tariffs that are proposed to be amended to impose only winter off-peak rates are the Small General Critical Peak Pricing and Time-of-Use tariffs and the General Critical Peak Pricing and Time-of-Use tariffs, applicable to two of the three classes that the SBA represents. The proposed amendments to these tariffs are included in the Application as Schedules C-2, D-2, E-2 and F-2, respectively.[10]

The SBA's concerns with the Application have two overarching themes. First, it is unclear why NS Power did not propose an option, for the Board's consideration, which would attempt to salvage some value from the tariffs during the 2025-26 winter period. Second, it is unclear whether the rates proposed in Option A are just and reasonable in that they differentiate from the standard rates based upon load shape differentiation or other changes in cost to serve, with no actual ability to determine load shape.

The SBA, as part of the DSMAG, has participated in several stakeholder proceedings during which NS Power presented the results of its pilot programs for Years 1 through 3 and has actively petitioned for continued effort by NS Power to make sure TVP and CPP programs are sufficiently attractive and offer benefits to the Small General and General customer classes the SBA represents. The SBA was looking forward to hearing from NS Power about its plans for improvements in these programs during the Year 4 pilot; however, it now appears that any possibility of momentum in this direction will be negated by the inability to track the results of the pilot and make adjustments.

As such, it is imperative to support the positive outcomes to-date for the TVP and CPP pilot programs because momentum has reached a critical point where NS Power can begin to draw conclusions about whether the program design is sufficient to encourage more participation. It is respectfully submitted that the plan to put TVP essentially under suspension needs to balance:

- maintaining participation and continuity,

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[9] M12499 Exhibit N-1, the Application, at pages 3-4 of 10. NS Power does not identify the System Operator it references on page 4.

[10] M12499 Exhibit N-1, the Application, Schedule C-2 Small General Critical Peak Pricing Tariff CLEAN, Pages 1-3 of 3; Schedule D-2 Small General Time-of-use Tariff CLEAN; Pages 1-2 of 2; Schedule E-2 – General Critical Peak Pricing Tariff CLEAN pages 1-3 of 3; and F-2 General Time-of-Use Tariff CLEAN, pages 1-3 of 3.

- inadvertently creating discriminatory or non-cost-based rates,
- simplicity, and
- minimizing costs to be borne by other rate payers.

While the SBA understands that events have intervened requiring the Year 4 pilot program to be adapted to the temporary loss of enabling data and functions that would advance these goals, the SBA respectfully submits that following concerns remain unaddressed in the Application and require consideration:

a) When did NS Power first learn that they would not have the capability to measure TVP loads? Has there been any changes in the participants, either joining or leaving, since the cyber security incident?
b) Should service to customers for the 2025-26 period be restricted to those enrolled in 2024-25 to maintain continuity or should other participants have the opportunity to enroll? Are there any equity concerns?
c) On what basis does NS Power assume that providing TVP rates with parameters equal to Standard Offer Rates (SOR) would automatically unenroll TVP and CPP customers?
d) Since this proposal follows directly from the Cyber Security breach, should any unwarranted tariff energy prices below standard rate equivalent energy prices be subject to refund to all ratepayers in the instance where NS Power is cited for imprudence or neglect or other findings under M12273? (i.e., who should bear the costs of providing lower TVP rates without being able to obtain proof of differentiated energy consumption which provides lower costs, or increased reliability or both.)
e) Is there an alternative option that strikes a balance between the extremes of Option A and Option B, either in the specific energy charge or overall approach?
f) Would it be possible to modify Option A to include:
    i. some testing of customer behavior and responsiveness by analytically deriving any load impacts by program participants on the TVP rate?
    ii. simulating critical peaks and events with alternative customer notifications while using load research type metering to measure effects?
    iii. finding ways to maximize the value of providing lower rates while essentially suspending the ability to monitor load shifting effects?
g) By not analytically deriving Option A rate parameters would this mean that:
    i. The proposed rates are discriminatory?
    ii. A load shape differential has not been established to determine if the lower cost recovery is justified on a cost allocation basis from TVP customers justifying lower than standard rates?
    iii. A behavioral consumption change by TVP customers is not expected or demonstrated to be expected to justify lower rate parameters?

Submissions:

The SBA appreciates NS Power stated commitment to the TVP process:

> 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.[11]

The SBA, however, respectfully submits that NS Power has not fully evaluated whether the Option A rates are appropriate and how this approach will provide data that can be analyzed for when the TVP and CPP pilot program is resumed.

In addition, the SBA submits that there are unanswered questions as to when the TVP 2025/2026 Year 4 pilot may resume under the original tariff rates, and how NS Power plans to track the difference in customer participation and savings in the interim.

Due to these issues, the SBA respectfully recommends that NS Power be required to address the questions raised above in an update to the Application. It may also be of assistance to have a technical session with intervenors to review alternative options.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 17th day of October 2025.

Yours truly,

Melissa P. MacAdam
Small Business Advocate

[11] M12499, NS Power letter to Board, (Doc 99614), October 9, 2025,.page 4 of 4.