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1 **Request IR-1:**

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3 **Program Cost Recovery**

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5 **With Reference to the PCR Allocations by rate class provided in Appendix A-1 on Page 1 of**
6 **4 and NSPI's statement at lines 1 and 2 of Page 4 of the Application that E1's proposed 2026**
7 **DSM Extension Plan remains an open matter before the Board, please explain how NSPI**
8 **anticipates it would address any changes to the class cost allocations that may arise as a result**
9 **of a final decision in Matter 12249?**

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11 Response IR-1:

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13 If changes to class cost allocations were to arise from a final decision on E1's 2026 DSM Extension
14 (M12249) those changes could be addressed through the Balance Adjustment (BA) mechanism of
15 the DCRR.

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Request IR-2:

Financing Costs

With Reference to the calculation of interest shown on pages 5 through 9 of Appendix A-2 and the statement on lines 15-16 of page 9 of the application that this information is provided “For the Board’s information and consideration” please:

(a) Confirm NSPI is not applying to recover the interest shown in the schedules and is not seeking approval to defer the interest to a future period. If not confirmed, please provide a detailed explanation.

(b) Explain how in NSPI’s view the calculations are consistent with the following provisions of the Public Utilities Act section 64AB

(i) that in order to charge interest the minimum amount on an outstanding balance must be greater than one million dollars; and

(ii) interest must be charged on a per year basis.

Response IR-2:

(a) Confirmed. NS Power is not seeking to recover the interest amounts shown in the schedule as part of the 2026 DCRR Application, nor is it seeking approval to defer these amounts to a future period. The interest calculations provided in the “(BA with Int)” tables of Appendix A-2 are for information purposes, as described in Section 4.1 of the Application, and represent interest that would otherwise be refunded to customers.

(b) The interest calculations in the “(BA with Int)” tables of Appendix A-2 apply the Company’s annual WACC on a monthly basis and compound semi-annually to reflect

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1 changes in monthly balances over the year which fluctuate from an amount owing to
2 customers of \$1.2 million to an amount owing from customers of \$1.5 million. These
3 calculations are provided for information purposes only if interest is determined to be
4 payable or refundable in a future proceeding.¹ Please also refer to NSEB IR-5, IG IR-4, IG
5 IR-9, and IG IR-10.

¹ In its 2025 DCRR Decision (M11912) the Board stated that entitlement to interest be held in abeyance and that further guidance, including the possibility of a formal rule for interest assessment, will be addressed in a generic proceeding to be established by the NSEB following the M11912 Decision.
