Request IR-1:

Reference: Ex. N-1 DCRR Application, Page 5

> **"… NS Power is proposing to remove the allocation to system benefit, so that 100 percent of DSM Costs will be allocated to classes in accordance with program spending."**

(a) Is the above statement intending to reflect that if E1 plans to spend $3 million on programs and measures for the Large Industrial class, for example, then $3 million plus its share of E1's Enabling Strategies will be allocated to the Large Industrial class? If not, please explain the methodology for NSPI's "100 percent allocation".

(b) Does NSPI solely rely on E1's planned program spending as filed in the 2026 DSM Extension application (M12249) to allocate cost responsibility for program costs? If not, please explain.

(c) How is NSPI allocating cost responsibility for E1's 2026 Enabling Strategies of $7 million (M12249 - E1 2026 DSM Extension, Ex. E-1, page 21, Table 5).

Response IR-1:

(a) Yes.

(b) Yes. Please also refer to the Company's response to NSEB IR-4 and IG IR-8.

(c) E1 allocates the cost responsibility for E1's planned DSM activities by customer class, which includes Enabling Strategies. Please also refer to the response in NSEB IR-4.

Request IR-2:

Reference: Ex. N-1, DCRR Application Page 6, lines 12-16, and Page 7, line 1.

> **Recovery of the DSM costs applicable to the Renewable to Retail (RtR) customer classes, as recently evidenced in the Board's ruling on rate treatment of Renewall's customers, will be provided through application of the DCRR charges or credits to kWh sales of individual RtR customers. The applicable DCRR will be the same as those available under otherwise applicable bundled service rate classes.**

(a) Please explain how (if at all) customer migration to the RtR will impact the PCR and the BA components of this rider from the perspective of a non-migrating customer in the class.

(b) Please explain how NSPI intends to process and record these charges or credits and specifically confirm whether NSPI intends to calculate the BA separately for RtR customers.

Response IR-2:

(a) The DCRR applies to customers taking service from a Licensed Retail Supplier (LRS), and those customers would remain responsible for applicable DCRRs. At this time, NS Power does not anticipate an impact on the PCR or BA components of the rider for non-migrating customers as a result of customer load migrations to or from an LRS. However, given that the competitive retail market has not yet materialized, it is premature to comment with certainty on any long-term implications. As the market develops, NS Power will continue to monitor and assess whether, and what, adjustments may be required to the DCRR framework which, if applicable, would be incorporated in a future Application.

(b) It is expected that RtR customers would pay the same DCRR as NS Power bundled service customers; however, the Company is still in the process of determining the detailed approach for processing and recording these charges or credits, including the BA calculation processes for LRS customers. These details will be finalized as the RtR market becomes active and more information becomes available. NS Power remains committed to working collaboratively with the LRS to ensure that the necessary procedures and/or tariff amendments are incorporated to support the market.

Request IR-3:

Reference: Page 7, lines 7-8.

NSPI referred to the "following process" to allocate to OATT MEUs but there appears to be missing language. Please provide the missing explanation.

Response IR-3:

Please refer to SBA IR-4.

Request IR-4:

Reference: Page 9, lines 7-13.

> **The Company is mindful of the Board's Decision in the 2025 DCRR Matter and has excluded financing costs in the 2026 proposed BA charge. Financing costs are real costs incurred by the Company in the administration of the DCRR Tariff to fund E1's DSM activities. In the event the NSEB provides "more guidance, including the possibility of establishing a formal rule for the assessment of interest," which remains an issue that is being held in abeyance, NS Power has provided tab "Table 1 (BA with Int)(2026) and Table 2 (BA with Int)(2026)" to Schedule B-2, which incorporates the financing costs into the BA component of the proposed 2026 DCRR.**

(a) Does NSPI maintain its position that the Board should be approving an interest rate to be applied to the BA at WACC?

(b) Please confirm that NSPI is not currently asking the Board to decide on the issue of interest to be applied to the DCRR components within this Application, and the Appendix-2, tabs including "BA with Int", is provided for information only?

(c) If correct, what efforts has NSPI made to work with the Board to initiate a proceeding to determine the issue of interest to be applied? If not correct, please confirm exactly what NSPI is seeking approval for with respect to interest to be applied for the DCRR proceeding.

Response IR-4:

(a) Yes, NS Power maintains the position that the appropriate interest rate for BA balances is the Company's Board-approved WACC as this reflects the actual cost of financing incurred under the utility's regulated capital structure. This position remains subject to the Board's future guidance, as described in part (c).

(b) Confirmed.

(c) The Board's 2025 DCRR Decision provided the following direction:

> Following this decision, the Board will establish a generic proceeding to more thoroughly address and consider issues arising from the application of s.64AB to deferral and variance accounts, including those discussed in this decision. The Board will provide more guidance, including the possibility of establishing a formal rule for the assessment of interest. The Board's decision on the entitlement of NS Power and its customers to interest on BA balances from 2023 will be held in abeyance until these matters are more fully considered and may, if interest is determined to be payable, be included in future DCRR adjustments.[1] [emphasis added]

In accordance with this direction, NS Power has excluded financing costs from the proposed 2026 BA and has provided interest calculations in Appendix A-2 for information purposes only if interest is determined to be payable or refundable in a future proceeding. NS Power remains prepared to participate in the generic process when it is initiated. Please also refer to NSEB IR-5, CA IR-2, IG IR-9, and IG IR-10.

[1] M11912 – Board Decision, 317746, pages 26-27, para 45. December 23, 2024.

Request IR-5:

(a) Given the requests made in the 2025 DCRR proceeding and prior submissions of the Industrial Group, does NSPI now have any evidence or information with respect to E1's interest rate for any surplus or underspend related to DSM?

(b) If not, have any efforts been made to determine the carrying costs for E1 as compared to NSPI?

(c) Can NSPI confirm the yearly underspend or surplus, by class for 2025 (to date and forecasted to year-end)? If not, why not?

Response IR-5:

(a) NS Power does not have information about interest rates applicable to, or applied by, E1 beyond what is described in the DSM Supply Agreement.

(b) No. It is NS Power's understanding that E1 tracks its over- and under-spend DSM balances and would provide, in accordance with Schedule B of the DSM Supply Agreement, any surplus realized by E1 "together with all accumulated interest earned by EfficiencyOne on such surplus."[1]

(c) NS Power does not prepare or maintain class-level actuals or forecasts of E1's DSM activities; therefore, E1's quarterly and annual reporting is the source for this information. Please refer to Attachment 1, Table 1 in E1's Q2 2025 DSM Report, filed August 25, 2025, under M12438.

[1] Please refer to the fully executed 2023-2025 DSM Supply Agreement (M10473, Exhibit E-31) and the proposed 2026 DSM Supply Agreement (M12249, Exhibit E-1).

Request IR-6:

Reference: **N-1, DCRR Application, Appendix A-1, Tab: Data Input – Usage.**

(a) **What is the date of the forecast(s) on which the 2026 system load and class usage of energy and demand is based? If they differ, please explain.**

(b) **If the answer to (a) is anything other than the most current 2026 load forecast, please explain why the most current load forecast is not used to allocate the PCR?**

(c) **Please provide a table for the medium industrial class, large industrial firm and large industrial interruptible subclasses with the following columns: 2023 Forecasted Load; 2023 Actual Load; 2023 under/over-collection of DSM revenues in rates; 2024 Forecasted Load; 2024 Actual Load; 2024 under/over-collection of DSM revenue in rates; 2025 Forecasted Load; 2025 Actual Load; 2025 under/over-collection of DSM revenue in rates; 2026 Forecasted Load. (For 2025 include actuals to the most current date available and forecast for the remaining months.)**

Response IR-6

(a-b) The forecast, on which the 2026 system load and class usage of energy and demand is based, is the most recent forecast prepared in September 2025.

(c) Please refer to the figures below.

Load (GWh)					
		2023[1]	**2024**[2]	**2025**[3,4]	**2026**[5]
Medium Industrial	Forecast	486.8	484.6	486.5	491.5
	Actual	474.9	491.5	482.5	–
Large Industrial – Firm	Forecast	83.7	108.7	86.2	85.1
	Actual	106.9	90.6	89.2	–
Large Industrial – Interruptible	Forecast	706.6	661.7	581.7	558.3
	Actual	622.6	584.7	558.1	–

Under/(over-collection) of DSM revenue in rates				
	2023[6]	**2024**[7]	**2025**	**2026**
Medium Industrial	$40,826	($20,710)	$0	0
Large Industrial[8]	$182,434	$352,994	$0	$0

[1] 2023 forecast is sourced from the 2022-2024 GRA (M10431).
[2] 2024 forecast is sourced from the 2024 DCRR Application (M11352).
[3] 2025 forecast is sourced from the 2025 DCRR Application (M11912).
[4] 2025 Actuals are a combination of actuals (January to September) and forecast (October to December) from the Fuel Adjustment Mechanism Monthly Report for September 2025, as filed October 21, 2025.
[5] 2026 forecast is sourced from this Application.
[6] M11912 – NSPI (IG) IG IR 06. November 19, 2024.
[7] Please refer to IG IR 10 in this proceeding.
[8] The large industrial recoveries are reported only for the class total.

Request IR-7:

Reference: M12249, E-1, E1 2026 DSM Extension Application, Appendix A, Section 3.6 Rate Class Allocations.

Reference: N-1, DCRR Application Appendix A-1, Tab: PCR Allocation, Column E 2026 Spending.

Please reconcile the absence of any allocation to the municipal class where E1 plans for $0.5 million in spending on this class.

Response IR-7:

The amount provided in E1's Table 8 in Section 3.6 of Appendix A to the 2026 DSM Extension (M12249) shows an expenditure of $0.5 million in the Municipal rate class. NS Power's Application, Appendix A-1, tab PCR Allocation, provides a total of $537,770 for the Municipal class (cells F13, G13, and N13). This is further broken down to the 'Municipal Bundled Service' subtotal and a subtotal of the four OATT MEUs under the 'Municipal Unbundled Service' category – together, these sum to the $537,770 amount provided by E1 for 2026 planned municipal class DSM activities. Please also refer to NSEB IR-4 and IG IR-8 as it relates to E1's allocation of DSM costs among customer classes.

Request IR-8:

Reference: Ex. N-1, DCRR Application, Appendix C, Tab: Percentage Increase in Details.

Assumption: The municipal class reflects only load of Lunenburg.

(a) Please confirm the IG's understanding that the remaining municipal electric utilities (in addition to Lunenburg) will be taking a percentage of their load from NSPI under the Municipal Tariff in 2026. If not confirmed, please explain.

(b) If confirmed, what is the updated anticipated load under the Municipal Tariff; the percentage of the total municipal load served under NSPI's Municipal Tariff; and the updated charges?

(c) If these charges are updated, how does this affect other customer classes?

(d) If program costs are allocated 100% to the programs planned for each customer class, how are the program costs allocated to the Municipal class as there are no specific "Municipal" programs, but rather residential and BNI programs?

(e) Is NSPI (and in turn, E1) privy to data regarding the customer classes within each municipal electric utility? Is this data reflected in the allocation of program costs to the municipal class?

Response IR-8:

(a) Confirmed.

(b) The projected 2026 GWh sales under the Municipal Class, all of which are subject to the FAM, are 55.8 GWh or 0.6 percent of the total sales of all FAM rate classes. The Municipal class sales reflect load of one full bundled service customer and four partial service customers.

The DSM costs of partial service customers, as directly assigned to them by E1, are recovered through payment of customized fixed monthly installment amounts as provided in Figure 2 of the Application. The DCRR charges in cents per kWh are not applicable to these customers. Forecast load of these customers is not relevant to the determination of their DSM cost responsibilities.

(c) Not applicable.

(d) It is NS Power's understanding that E1 allocates program costs to the municipal class based on planned DSM activities for customers of municipal electric utilities, rather than DSM activities to these utilities as participants. Please also refer to NSEB IR-4.

(e) NS Power is not privy to data regarding the customer classes within each Municipal Electric Utility. As described above in part (d), the allocation of DSM activities between customer classes is conducted by E1.

Request IR-9:

Reference: Ex. N-1, DCRR Application, Appendix A-2, Table 1 (BA with Int) (2026) and Table 2 (BA with Int) (2026).

(a) NSPI has applied interest to all amounts included for the BA. Please clarify why interest is applied to amounts lower than $1M given the limitation provided under s 64AB(2) of the *Public Utilities Act*?

(b) Please explain whether the amounts contained in the BA deferral for DSM would be considered long term or short-term debt?

(c) Please confirm NSPI's actual 2025 short term debt rate and the anticipated rate for 2026.

Response IR-9:

(a) Please refer to CA IR-2 and IG IR-4.

(b) The BA deferral would be funded through a combination of both long-term and short-term debt and equity in accordance with NS Power's regulated capital structure, such that the balance would be funded at NS Power's WACC.

(c) As the 2025 calendar year has not yet elapsed, the Company does not have an actual figure for the short-term debt rate for 2025. NS Power's projected short term debt rate for 2026 is 4.14 percent (pre-tax), as provided in FO-10 Attachment 1 in the 2026-2027 GRA (M12451).

Request IR-10:

Please provide an updated version of Appendix A-2, Table 1(BA with Int) (2026) and Table 2 (BA with Int) (2026) using the default interest rate for deferrals from s 64AB(3) of the *Public Utilities Act*; namely, "simple interest at the Bank of Canada policy interest rate plus one and three-quarters per cent", applied annually.

Response IR-10:

Please refer to Confidential Attachment 1 for the calculations using simple interest at the Bank of Canada policy interest rate plus one and three quarters percent.

In preparing this response, NS Power has discovered that the reported interest expense of ($53,786), as provided in column F of Table 1 (BA with Int) (2026) of Appendix A-2, did not include the interest expense from January 2024 and was applied to incorrectly stated outstanding monthly amounts throughout 2025. In addition, the interest calculations for 2024 and 2025 were revised for the treatment of interest compounding which now is applied on annual basis. As a result of these corrections the interest expense is set at ($7,642). Please refer to Confidential Attachment 2 for the corrected '(BA with Int)' Tables in Appendix A-2.

The proposed 2026 DCRR is not impacted by the above errors because it is exclusive of interest expense.

2026 DCRR IG IR-10 Confidential Attachment 1 has been removed due to confidentiality.

2026 DCRR IG IR-10 Confidential Attachment 2 has been removed due to confidentiality.

Request IR-11:

(a) To the extent the credit ratings agencies have released any further reports regarding NSPI's credit ratings or its financial position since NSPI responded to IRs in the GRA (M12451), please produce.

(b) Does NSPI assert that the amount in the DSM BA for 2025 will have an impact on NSPI's credit ratings and/or financial position? If so, please explain.

Response IR-11:

(a) No further reports have been released.

(b) No, NS Power does not assert that the DSM BA for 2025 will have an impact on NS Power's credit ratings and/or financial position. Rather, the continuing existence of a properly functioning DSM Rider is what NS Power expects would be important to credit rating agencies.