ORDER **M12521**

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF AN APPLICATION by **NOVA SCOTIA POWER INCORPORATED** for the approval of its 2026 Demand Side Management Cost Recovery Rider (DCRR)

BEFORE: Stephen T. McGrath, K.C., Chair
Roland A. Deveau, K.C., Vice Chair
Steven M. Murphy, MBA, P.Eng., Member

FINAL ORDER

NOVA SCOTIA POWER INCORPORATED (NS Power) applied to the Nova Scotia Energy Board for approval of its 2026 DCRR effective January 1, 2026, through December 31, 2026.

This matter was considered by way of a paper hearing. Following NS Power's responses to Information Requests from intervenors, written closing submissions were completed on December 12, 2025. This application assumed that the Board would approve a proposed cost allocation methodology for demand side management costs in NS Power's general rate application (M12451).

Pending a resolution of the general rate application, the Board issued an interim Order on December 22, 2025, directing that the approved 2025 DCRR charges be applied starting January 1, 2026, until further order of the Board in this matter. This included continuation of the direct monthly payments for the Open Access Transmission Tariff Municipal Electric Utilities (OATT MEUs) approved in the 2025 DCRR proceeding (M11912). Payments made from January 1, 2026, until the Board's final order were subject to confirmation or adjustment.

The Board's decision in this matter was released on March 31, 2026, following the release of its decision in NS Power's general rate application on March 25, 2026.

The Board orders:

1. The 2026 DCRR attached as Schedule "A" is effective January 1, 2026. The direct monthly payment amounts for the OATT MEUs, set out in Figure 2 in Exhibit N-1 in this application, are effective January 1, 2026. However, the MEUs may choose to adjust their 2026 monthly payments to account for the difference between the interim and approved monthly payments so that total payments in 2026 equal the annual PCR amounts payable by these customers. NS Power must promptly notify the Board if the MEUs decide to do so. The Board notes that the tariff language will be changed as a result of its Order in NS Power's general rate application (M12451), but these changes will have no impact on the DCRR rates approved in this Order.

2. The difference between the approved interim rates and the final rates will be addressed in future Balancing Adjustments, or as otherwise allowed for the OATT MEUs.

3. The payment of interest by or to NS Power and its customers on Balancing Adjustment balances from 2024 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.

DATED at Halifax, Nova Scotia, this 31st day of March 2026.

Clerk of the Board

APPLICABILITY

This schedule applies to all electric rate classes with the exception of the Wholesale Market Non-Dispatchable Supplier Spill Tariff, the Load Retention Tariff, and the Extra Large Industrial Active Demand Control Tariff. For customers taking service in the Wholesale or Renewable to Retail markets, recovery of the costs of electricity efficiency and conservation activities, as defined in Section 79A of the Public Utilities Act (Demand Side Management or DSM) approved by the Nova Scotia Energy Board (NSEB) will be direct billed in accordance with the customer's class energy bill as if served by Nova Scotia Power Incorporated (NS Power) under its bundled service offerings.

RESPONSIBILITIES OF FRANCHISE HOLDER

It is the responsibility of the holder of the electric efficiency and conservation franchise granted under Section 79C of the Public Utilities Act (Franchise Holder) to apply to the NSEB to seek approval of all DSM activities, plans and programs, and to itemize and seek approval for all related costs.

On or before October 1 in the year preceding the implementation of the approved programs, NS Power shall apply to the NSEB to seek approval of the DSM Cost Recovery Rider amounts to be inserted in Schedule A to this tariff for the succeeding rate year. NS Power shall pay to the Franchise Holder the amount approved by the NSEB to fund the DSM costs, on a monthly basis.

DEMAND SIDE MANAGEMENT COST RECOVERY RIDER (DCRR)

The monthly amount computed under each of the rate schedules to which this DSM Cost Recovery Rider is applicable shall be increased or decreased by the DCRR at a class-specific rate per kilowatt hour of consumption in accordance with the following formula:

DCRR = PCR + BA

Where:

PCR = Program Cost Recovery

The PCR includes all estimated costs for the upcoming calendar year for the DSM Plan that has been requested by the Franchise Holder and approved by the NSEB (Approved DSM). It includes the cost of planning, developing, implementing, monitoring, evaluating, and verifying DSM programs, and includes but is not limited to costs for enabling strategies, consultants, employees, and administrative expenses. The PCR is computed for each rate schedule using the cost allocation methodology set out in Schedule B to this tariff.

BA = Balance Adjustment

The BA is calculated for each rate class separately on a previously completed calendar year basis and is used to reconcile the difference between the amount of revenues actually billed through the PCR and the revenues which should have been billed, as follows:

(1) The balance adjustment amount is the difference between the amount billed in the previously completed calendar year from the application of the PCR unit charges and the actual cost of the Approved DSM during the same previously completed calendar year. In order to enable incorporation of a full year's actual results, the BA will address differences in the year 2 years prior to the current PCR year.

The NSEB-approved DCRR shall be placed into effect with bills rendered on and after the effective date of such change.

SCHEDULE A

2026 DSM Cost Recovery Rider Charges

The Demand Side Management Cost Recovery Rider (DCRR) charges, along with its components, (PCR) and (BA), for the period from the approved effective date of January 1, 2026 to December 31, 2026 are as follows:

Applicable Tariff	**PCR (cents per kWh)**	**BA (cents per kWh)**	**DCRR (cents per kWh)**
Domestic Service, Domestic Service Time-of-Day, Domestic Service Time-of-Use, Domestic Service Critical Peak Pricing	0.642	0.006	0.648
Small General, Small General Time of Use, Small General Critical Peak Pricing	0.809	-0.080	0.729
General, General Time of Use, General Critical Peak Pricing, Multi-unit Residential Building Time-of-Use	0.735	0.015	0.749
Large General	0.428	0.029	0.458
Small Industrial	0.536	0.020	0.555
Medium Industrial	0.483	-0.004	0.479
Large Industrial including Interruptible Rider	0.612	0.051	0.663
Municipal	0.280	-0.015	0.265
Unmetered Services	0.046	0.003	0.049

Applicable Tariff	**PCR (cents per kWh)**	**BA (cents per kWh)**	**DCRR (cents per kWh)**
Gen. Replacement & Load Following	0.000	-0.027	-0.027
One Part Real Time Pricing	0.000	0.010	0.010
Shore Power	0.000	0.102	0.102

SCHEDULE B

DSM Cost Allocation Method

- Step 1 – Allocate the class and participation benefits by directly assigning 100% of the DSM investment identified for each participating customer class.

- Step 2 – For NS Power bundled service customers, divide the total amount to be recovered from each class by the anticipated electricity sales for the class to derive the required program cost recovery for each class for the upcoming year.

- Step 3 – For customers taking service in the Wholesale or Renewable to Retail markets, recovery of DSM costs will be direct billed in accordance with the customer's class energy bill if served by NS Power under its bundled service offerings.

- Step 4 – Annually, true up the class and participation benefits by customer class, based upon actual experience in the 2 years prior to the current PCR year.

Conditions

- For bundled service customers, other than those who take service in the Wholesale Market (whether in whole or in part), this approach applies to classes as a whole (not to individual customers).

- For customers who take service in the Wholesale Market (whether in whole or in part), this approach applies to individual customers.

- This approach applies to total Approved DSM costs.