Please refer to: Michael Murphy
Email: mmurphy@pinklarkin.com
Assistant: Alissa Whalen
Assistant's email: awhalen@pinklarkin.com

January 20, 2026

VIA EMAIL

Crystal Henwood, Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
P.O. Box 1692, Unit "M"
Halifax, NS B3J 3S3

Dear Ms. Henwood:

RE: M12551 – Nova Scotia Power Inc. – 2026 Annually Adjusted Rates

Please accept the following submissions on behalf of the Consumer Advocate in respect of the above-noted matter.

In this matter, Nova Scotia Power Incorporated ("NS Power") has requested approval from the Nova Scotia Energy Board (the "Board") of its 2026 annually adjusted tariff rates ("AARs").

Along with its consultant, John Wilson (Grid Strategies), the Consumer Advocate has reviewed NS Power's application (N-1) and its responses to Information Requests filed by the Board and the intervenors (N-2 to N-7).

On review of the evidence, the Consumer Advocate does not object to the application as filed, but wishes to make some limited comments regarding modelling of power imports, as well as NS Power's justification for the change in the 1P-RTP method. Specifically:

- Modelling of Power Imports: The Consumer Advocate observes that there appears to be some inconsistency between the historical average deliveries for New Brunswick imports, and the volumes reported as model outputs in response to CA RIR-7 (Exhibit N-2). The Consumer Advocate understands that forecast NB import volumes are reduced relative to the historical average because (1) there is now greater availability of lower-priced ML Surplus power and (2) NB Import prices are generally correlated with gas prices and thus are unlikely to be price-advantaged when gas prices are high. The Consumer Advocate accepts this approach, but would suggest that NS Power avoid resetting the NB Import limit to reflect current (lower) volumes in the historical average, which could unreasonably limit forecast NB Imports, particularly on a monthly basis. The Consumer Advocate further notes that the volumes for ML Surplus energy reported in Appendix A4 (p. 17) differ from the limits reported in Exhibit N-2, CA RIR-7. The Consumer Advocate understands that the information in Appendix A4 is incorrect, and the information in Exhibit N-2 is correct, and wished to bring this discrepancy to the Board's attention.

- Change to 1P-RTP Method: The Consumer Advocate understands that currently the 1P-RTP rate is only available to customers for the "top energy block" representing a portion of their load, and that NS Power would thoroughly review any new customer application for additional load to be served under this rate to ensure that it is truly a price-sensitive load. In this regard, the Consumer Advocate refers to the following statement from NS Power's 2018 AAR Application (M08383):

  > As the 1P-RTP tariff does not use the fuel cost component of the LF rate, its rate calculations are not affected by the consideration of a choice between the avoided costs of a 2 MW load decrement and the marginal cost of the next MWh.

  The Consumer Advocate understands that this statement relates to the distinction between a 2 MW and a 25 MW load decrement method, and was not intended to state that the method for calculating the 1P-RTP tariff rate would be unaffected by any contemporaneous change in other AAR rate calculation methods from avoided cost load decrement to marginal cost.

  Accordingly, the Consumer Advocate is satisfied that the proposed change in the 1P-RTP tariff rate calculation method to marginal costs is reasonable given that NS Power only allows this rate to be available for the "top block" of a customers' load, with assurance that the load is price-sensitive. And further, that the amount of load served on 1P-RTP is currently and likely to remain small enough that curtailment of the load would not be sufficient to either materially change NS Power's resource requirements or change non-marginal fuel costs, such as unit commitment costs. For portions of the customer's load that are not price-sensitive, the customer should be served on a rate schedule that includes full fuel costs which would include recovery of unit commitment and other non-marginal fuel costs.

The Consumer Advocate wished to make note of the above discrepancies and clarifications for the Board, and would request that NS Power please confirm whether any of the Consumer Advocate's understandings or assumptions as stated above are incorrect or incomplete.

The Consumer Advocate thanks the Board for the opportunity to participate in this matter and make these submissions.

PINK LARKIN

Michael Murphy on behalf of
David Roberts, Consumer Advocate

cc. Participant List