Request IR-1:

Refer to M12588, Exhibit N-1, the Renewable to Retail (RtR) Implementation Project submitted by NS Power (the "Application"). Regarding the variance between the previously filed cost estimates and those updated, please answer the following questions:

(a) Please provide a breakdown of the $581,816 variance by major cost category, as outlined on page 4 of 6, – Regular Labour, OT Labour, Term Labour, OT Term Labour, Software, Contracts, Consulting, Other Goods and Services, Interest Capitalized, and Administrative Overhead.

(b) Please describe which cost categories experienced higher costs due to Commercial Operation Date (COD) delays?

(c) Please describe the rationale for cost increases due to administrative overhead.

(d) Please describe the additional testing complexity not foreseen or considered in the original estimate.

(e) What steps did NS Power perform to mitigate cost increases?

Response IR-1:

(a) Due to the cyber incident, NS Power does not have access to the original estimate details to provide the requested comparison, and the data is not expected to be recovered. It also should be noted that the original estimate included in the 2025 ACE Plan was developed more than a year prior to this filing and did not have the level of detail around project requirements and costing where a detailed variance by account would be appropriate. To clarify, the Reason for Variance would have been clearer if it was worded "the increase is due to the requirement to ramp up resources a second time to accommodate the COD date change, and associated Administrative Overhead and AFUDC".

(b) Regular Labour, Term Labour, Consulting, Administrative Overhead and AFUDC would have seen increased costs due to the COD date change.

(c) Administrative Overhead costs are support costs necessary to support NS Power's capital program but not directly charged to a specific capital project. As per NS Power's Board-approved Accounting Policy 6100 – Cost, the cost of a capital asset not only includes direct construction or development costs (such as materials and labour), but also overhead costs attributable to construction or development activities. In accordance with NS Power's Board-approved Accounting Policy 6230 – Application of Administrative and Vehicle Overhead (Self-Constructed Assets), the overhead charged to a particular project is determined by multiplying the labour costs charged to the project by the appropriate overhead application rate. The charge is debited to a Capital Work Order while the credit is recorded in Operating, Maintenance, and General Expense.

(d) There is potential for testing complexity that may be experienced when testing the subsequent addition of forecasted generation data integration against the existing software elements that have already been developed and tested.

(e) NS Power had taken steps to minimize time related cost accumulation once the Company learned that the COD had been extended. In February 2025, the NS Power team began to review approaches that could potentially reduce the cost impact of an additional and extended COD timeline move. In order to support this project, NS Power retained consultants and vendor solution resources at a cost of approximately $130,000 per month. A decision was taken to approach the LRS with a proposal for a "pause" of implementation efforts in order to avoid continuing to retain these resources and incurring further costs to the project. In April 2025, NS Power approached the LRS to propose this option and it was approved by the LRS in May 2025. NS Power has continued to maintain a monthly meeting cadence with the LRS to provide support and updates, as required.

NS Power and the LRS have agreed that the project team would resume implementation efforts seven months in advance of the LRS' first retail sales date to complete final implementation steps and be ready for transition to LRS operations on their first retail sales date. The project team moved all technical development computer code into production and rendered it dormant but intact. This ensures any changes across the business to impacted systems during the pause period will have the LRS development incorporated to mitigate the risk of re-work when the project resumes. The LRS has recently indicated first retail sales could begin in November 2026. The LRS has also recently requested the NS Power project team to resume the project in March 2026.

NON-CONFIDENTIAL

Request IR-2:

Referring to M12588, Exhibit N-1, Page 4 of 6, the Capital Project Detailed Estimate, please answer the following questions:

(a) Program Manager appears across multiple categories. Please explain:

(i) The duration of each role (ongoing or complete);

(ii) The rationale for the level of program management costs relative to overall project cost; and

(iii) The role the delay in COD played in increasing these costs.

(b) Please explain the derivation of administrative overhead costs.

Response IR-2:

(a) There is one Program Manager who works across a suite of projects and initiatives for NS Power. The DCE has cost in two categories term labour and OT term Labour however, this is one employee who would have regular hours and OT hours at regular pay.

(i) The duration of this role is ongoing through to the end of the project.

(ii) The Program Manager began work on this initiative prior to most other resources in order to complete the initial high-level scoping of the RtR Implementation Project in 2022 and subsequently completed initial estimates and executed the project initiation steps in order to formalize the implementation project and onboard the Project Manager. This resource maintains financial tracking, procurement, and accounts payable responsibilities for the project. The Project Team reports to the

Program Manager. The Program Manager does not manage the day-to-day implementation and resource requirements.

(iii) The COD delays have impacted

(b) Please refer to SBA IR-1 part (c).

Request IR-3:

Refer to M12588, Exhibit N-1, Page 1 of 6, regarding the recovery of RtR costs over time, please answer the following questions:

(a) Will the recovery period align with the 10-year depreciation life? If not, please explain why.

(b) Considering the prospect for future growth in the RtR market and the potential for additional Licensed Retail Suppliers (LRSs), how is the cost structure anticipated to ensure incremental RTR costs are appropriately covered by future LRSs?

(c) Given the contract between customer and their LRS lies outside of NS Power's control, how does NS Power anticipate mitigating risk of customers terminating participation before full capital recovery?

Response IR-3:

(a-b) The recovery period has not been determined. The recovery of the RtR market costs does not require the costs to be tied directly to the depreciation life of this capital asset because, among other items, this is just one of the RtR market cost drivers to be recovered from the LRS(s) and it is anticipated the pace and scope of RtR market development, including the number of LRS(s) in the market and timing of their entry and costs they may be directly causing, will be factors in the determination of the cost recovery methodology and amounts to be submitted to the Board for its approval.

(c) NS Power anticipates that it would collect the costs directly from the LRS or, that the IESO-NS (pending its assumption of responsibility for administration of the RtR Market and paying NS Power for the transfer of the assets), would collect the costs directly from the

LRS. In either event, NS Power does not anticipate the timing of customer termination to expose non-RtR customers to RtR costs.