Blackburn Law Inc.

March 17, 2026

VIA EMAIL

Ms. Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax NS B3J 3S3

Dear Ms. Henwood:

**Re: M12588 – Nova Scotia Power Incorporated – CI C0053699 – Renewable to Retail Implementation - $5,644,468**

On December 1, 2025, Nova Scotia Power Incorporated ("NS Power") filed its capital application (the "Application") for CI C0053699 – Renewable to Retail ("RtR") Implementation.[1] The Application includes project costs for software, system integrations, and related process changes needed to enable customer billing, customer information management, metering, reporting, and other functions required to stand up the RtR program. The Application also details the increase of the project costs over the 2025 ACE Plan.

## Comments

The Small Business Advocate's (SBA) review of this Application is focused on cost transparency and the proposed cost recovery approach, both of which are summarized below.

### Cost Transparency

The SBA submitted Information Requests in order to identify the $581,816 variance from the estimate in the 2025 ACE plan by cost driver. However, in response, NS Power stated that it cannot provide that information due to the 2025 cyber incident.[2] Furthermore, even if retrievable, NS Power states the prior ACE estimate "did not have the level of detail" by account to develop a detailed variance analysis.[3] It is respectfully submitted that estimates should separately identity indirect items, such as administrative overhead and AFUDC, to allow stakeholders to understand how these impact project costs.

NS Power indicates that the primary driver was the delayed commercial operations date (COD) and appears to state that NS Power paused consultant work to avoid approximately $130,000 in

[1] M12588 Exhibit N-1, Nova Scotia Power Incorporated – CI C0053699 – Renewable to Retail Implementation - $5,644,468
[2] M12588 Exhibit N-5, Responses to SBA Information Requests IR-1(a).
[3] *Id.*

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monthly costs.[4] While the SBA acknowledges these mitigation efforts, the response to the IR is an ex-post narrative that does not fully identify the quantified avoided costs or provide a holistic view of the time-related cost impacts. To ensure consistent review, when schedule shifts occur, it is submitted that NS Power should file a standardized briefing that identifies potential cost impacts and any mitigation actions that were taken to avoid costs.

**Cost Recovery Approach**

NS Power indicates a number of items that are yet to be determined including the recovery period, which NS Power states will depend on the number of Licensed Retail Supplier (LRS) entrants and overall RtR market development.[5] NS Power also states that the recovery methodology will be submitted to the Board in a separate filing once these elements are better understood.[6]

With regards to customer-termination risk, NS Power states that non-RtR customers would not be at risk of having to absorb unrecovered costs as the payments would come directly from the LRS to NSPI or IESO-NS.[7] While the SBA acknowledges the framework, this reassurance does not address the case where the LRS leaves the program nor does it clarify the recovery method, especially with regard to the role that IESO-NS would perform, in such an event.

At present, the RtR recovery approach remains largely undefined with an undetermined recovery period, unspecified recovery mechanism, and no clear articulation of safeguards to ensure RtR costs are recovered from market participants. These details will be important for the Board to assess when NS Power submits its tariff application for approval.

**Submissions**

In conclusion, the SBA respectfully submits that the Board should consider the remaining gaps in cost transparency and undefined elements of the cost recovery approach. Ensuring that project cost variance are measured, time-related impacts are clearly documented, and resource mechanisms are established will be essential to safeguard ratepayers in the RtR framework. The SBA encourages the Board to require additional information as described above before supporting a determination on this capital improvement Application.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 17th day of March, 2026.

Yours truly,

Melissa P. MacAdam
Small Business Advocate

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4 *Id* at IR-1(e)
5 *Id* at IR 3(a).
6 *Id*
7 *Id* at IR 3(c).