2025 **M12619**

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: **The Public Utilities Act**

IN THE MATTER OF: **An Application by Nova Scotia Power Incorporated (NS Power) for approval of approximately $284.0 million of its Annual Capital Expenditure (ACE) Plan for 2026 which totals $702.1 million**

INFORMATION REQUESTS

To: Nova Scotia Power Incorporated (“NSPI”)

From: The Industrial Group

Responses Due: February 13, 2026

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Issued at Halifax, Nova Scotia, this 23rd day of January 2026.

Request IR-1:

Reference: **N-1, 2026 ACE Plan, page 7, lines 19-29**

In 2024, the creation of a new Independent Electricity System Operator in Nova Scotia (IESO-NS) changed the electricity planning landscape in Nova Scotia, and starting in 2025, the IESO-NS has begun taking on its responsibilities of planning and management of Nova Scotia’s bulk electricity system. This change has resulted in several amendments to project accountability in NS Power’s The Path to 2030 report. The Company continues to engage with both federal and provincial governments to meet the 2030 decarbonization targets in a way that is as cost-effective as possible for customers and remains committed to supporting the transition of accountabilities to the IESO-NS, as applicable.

(a) Please identify the metrics, benchmarks, and/or evaluation frameworks NSPI uses to assess whether its decarbonization initiatives are “as cost-effective as possible,” including any cost-benefit analyses, comparative alternatives considered, or internal thresholds applied.

(b) Please elaborate on NSPI's current efforts working with both federal and provincial governments to meet the 2030 decarbonization targets.

(c) Does NSPI have a transition schedule, timeline, roadmap, or workplan for the transition of accountabilities to IESO-NS (Phase 1 and Phase 2, if applicable), including milestones and target dates? If so, please provide.

(d) If not, how is NSPI otherwise internally tracking the transition?

(e) What, if any, consultation or involvement has the IESO-NS had into the preparation of or forecasting within the 2026 ACE Plan, Five-Year Reliability Plan Update or the Updated Path to 2030?

Request IR-2:

In relation to the transition to the IESO-NS, and work of the Joint Transition Committee:

(a) Please provide:

(i) the Terms of Reference for the Joint Transition Committee;

(ii) the current membership of the Committee; and

(iii) any documents that define roles, responsibilities, escalation pathways, and decision-making authority between NSPI and IESO-NS.

(b) Please identify any additional working groups established for Phase 1 and/or Phase 2 of the transition, including key deliverables and milestones.

(c) How often do NSPI and the IESO-NS meet to discuss the transition?

(d) Does this group have an agreed upon set of milestones for the transition? If so, please provide. If not, how is progress measured?

(e) Please describe steps taken to coordinate work and avoid duplication of costs for ratepayers between NSPI and IESO-NS, including any mechanisms used to identify/resolve overlap and any resulting cost reductions or avoided costs (quantify where possible).

Request IR-3:

Reference: N-1, 2026 ACE Plan, page 10, lines 13-15.

Preamble: NSPI states that the 2027–2030 capital forecast "does not include considerations for external funding that is not already in place" and that while external funding is "expected, the amount cannot be forecast at this time."

(a) For 2026-2030, please identify each source of external funding that is already in place, the associated capital programs or projects to which it applies, and the amount of funding reflected in Figure 1.

(b) Where possible, please identify anticipated or “expected” funding, including the source of that funding, type of funding, applicable capital programs or projects, and the total amount anticipated (or at least order of magnitude).

Request IR-4:

Reference: N-1, 2026 ACE Plan, pages 14, 31, and 33.

Preamble: The Application provides different total approval requests sought.

Please reconcile the figures within the 2026 Application, and confirm the amount NSPI is seeking approval for:

(i) Section 3.1, line 9: $284 million

(ii) Figure 8: 2026 NSEB Approval Request: $256.3 million

(iii) Figure 9: Total Routine Capital Spending, page 33, at "Total Capital Items for which Approval is Sought: $256,305,380

Request IR-5:

Reference: N-1, 2026 ACE Plan, page 14, Figure 1: NS Power Total Capital Investment: Historical, Budget and Forecast.

Preamble: In the last two years, 2025 and 2026, NSPI’s capital spending budgets have increased significantly from the prior five-year average of spending, by approximately $200 million.

(a) Please explain the principal drivers of the increase in capital spending budgets in 2025 and 2026, and going forward, with specific reference to projects, capital investment required, and the portion attributable to reliability, storm, cybersecurity/IT and decarbonization initiatives (quantify where possible).

(b) Please explain how the increased capital spending affects customer rates, including the expected impact by rate class (or an order of magnitude if needed), and key assumptions used?

(c) How has NSPI considered rate impacts and affordability in deciding to increase capital investments to this extent? Please provide any proportionality analysis, scenario analysis, or sensitivity analysis performed.

(d) Please confirm whether Figure 1 is presented gross or net of external funding?

(e) If Figure 1 is exclusive of external funding, please provide an updated Figure showing gross total capital investment, and outline specifically what funding was added.

Request IR-6:

Reference: N-1, 2026 ACE Plan, page 15, Figure 2: NS Power Total Capital Investment: Historical, Budget and Forecast.

(a) Please provide an updated version of Figure 2 including total actuals for 2025.

(b) If there is a variance between the forecasted amount anticipated as of Q3 2025, and 2025 actuals, please explain the variance with specific reference to projects and expenditures within Q4.

(c) For the projects identified as deferred or cancelled (as specified more specifically at pages 28–29, Figure 7, and Appendix C), please provide a table that includes, for each project:

(i) the name and CI number;

(ii) the 2025 budget/forecast originally anticipated in the 2025 ACE Plan;

(iii) 2025 actual spend (if any);

(iv) variance between budget vs actual; and

(v) disposition (deferred/cancelled) with the revised in-service timing (if deferred).

(d) Based on the response to (c), please explain how NSPI's total capital spending in 2025 exceeded the 2025 ACE Plan forecast while a material number of individual projects were deferred or cancelled, including:

(i) the quantitative drivers of the variance; and

(ii) the qualitative factors influencing project-level reallocation decisions.

Request IR-7:

Reference: N-1, 2026 ACE Plan, page 17, Figure 4: Breakdown of Capital Forecast by Investment Type.

(a) Please explain how NSPI tracks and recovers costs for: (a) new Right-of-Way ("ROW) acquisition; (b) ROW widening; and (c) maintenance of existing ROW, including whether costs are treated as capital vs O&M.

(b) With respect to ROW widening, please explain why NSPI is forecasting increasing expenditures between 2026-2030, rather than declining expenditures as widening work progresses?

(c) Please confirm whether costs associated with the Reliability Tie are included or excluded in the 2026 ACE Plan Application's Figure 4 totals and, if excluded, explain the basis for exclusion (including the role of WTI or other entities).

(d) Please confirm whether 2025 ACE actual expenditure reporting within the 2026 ACE Plan include any Reliability Tie costs. If not, please quantify 2025 Reliability Tie spend incurred by NSPI. If yes, please explain why it is not recorded for 2026 (dependent on response to (c)).

Request IR-8:

Reference: N-1, 2026 ACE Plan, page 24, lines 19-25.

> The Board directs NS Power to submit any future capital expenditures that exceed $1 million for approval to the Board, regardless of the source of funding. *NS Power acknowledges the Board's directive, and confirms its intention to comply; the first project applicable to this directive is included for approval as CI C0080252 Intelligent Asset Data Capture & Integration Platform, which due to federal funding has a project total below $1 million. Please refer to Section 5.2, and the attached capital work order documentation for further detail.*

(a) Where NSPI notes that this is the "first project applicable", please confirm whether this is the *only* project applicable to this directive in the 2026 ACE Plan. If not, please elaborate.

(b) For C0080252, and any other projects which may be applicable (if any), please provide a table outlining:

(i) the gross total cost;

(ii) the source, amount and terms of the external funding; and

(iii) the net project total.

Request IR-9:

Reference: N-1, 2026 ACE Plan, page 26, lines 19-23.

> *The proposed Scope Change definition has been intentionally limited to changes in stated intent as this provides a practical trigger for when a Scope Change application is required. Expanding the definition to include changes in deliverables, boundaries or detailed tasks, as suggested by the SBA and IG, would significantly increase the number of regulatory filings (potentially before cost impacts are fully understood) and create unnecessary complexity. Under such an approach, any design refinement or task adjustment could require a separate application, resulting in multiple filings for a single project. This would impose a substantial regulatory burden on the Company, the Board, and stakeholders, requiring projects to be reviewed multiple times before completion without delivering any meaningful improvement in oversight.*

(a) Using historical ACE data (for at least the past five ACE Plans), please estimate how many additional scope change filings would have been triggered if "scope change" included changes in deliverables, boundaries, and/or detailed tasks. Please describe the methodology and assumptions.

(b) Please explain, with specific examples, how NSPI assesses the "substantial regulatory burden" of an expanded scope change.

(c) Please describe whether NSPI considered mitigation approaches (i.e. thresholds for materiality, batching of minor changes, limits on filing frequency, or defined categories of changes) that would allow broader scope change coverage without excessive filings? Please also explain NSPI's conclusions.

Request IR-10:

Reference: N-1, 2026 ACE Plan, Page 27, lines 15-20.

Based on discussions with the IG subsequent to the broader stakeholder engagement efforts, NS Power is open to adding further language that would also consider a scope change to have taken place when there are multiple alternatives detailed in the project under "Why do the Project This Way", and the alternative chosen changes to one of the other alternatives discussed. This updated language is not in the current proposed CEJC updates as it was not canvassed with all intervenors prior to this filing.

(a) Please provide the updated CEJC criteria and proposed wording referenced in this passage for "scope" and "scope change".

(b) Does NSPI agree that the updated definitions are more consistent with the ordinary meaning of "scope" and/or NSPI's use of "scope" in other parts of its business. If NSPI does not agree, please explain.

(c) Please confirm whether NSPI intends to apply the updated definitions in future CI filings and scope change determinations in 2026. If not, please explain.

Request IR-11:

Reference: N-1, 2026 ACE Plan, page 29, lines 10-12, and page 30, lines 1-2.

These 60 projects were originally included in the 2025 ACE Plan with a forecast investment of $60.3 million in 2025. 21 of these projects have been cancelled, while 39 have been deferred to future years. NS Power's asset management processes guide the Company's decisions related to project deferrals to ensure risks are being appropriately managed and capital investments are appropriately prioritized.

And Reference: N-1, 2026 ACE Plan, pages 28-29 Figure 7: Subsequent Submittal Project Status Update; and Appendix C – Updated Q3 Capital Reports.

(a) Please confirm that, although these projects were not included in the 2025 ACE Plan for approval, they were included in NSPI's overall 2025 capital spending forecast total of $692.4 million? If not, explain.

(b) Please elaborate on how the cybersecurity breach in 2025 impacted the decision to defer or cancel any of the listed capital projects in 2025, as referenced in Appendix C, including specifically the nine IT projects deferred to 2026?

(c) What does NSPI mean by "Resources were required for priority restoration" within Appendix C, and explain how NSPI has tracked any increased costs in relation to the diversion of resources or reallocation of investment (if any)?

(d) Please identify which of the deferred IT projects, if any, would enhance NSPI's cybersecurity, and briefly describe the controls or risk mitigation efforts now in place.

(e) Please explain whether, and to what extent, the deferral of the identified projects altered NSPI's cybersecurity risk profile, as assessed internally and/or by third-party advisors, including any updated risk assessments, audit findings, or mitigation plans (provide documents where available).

Request IR-12:

Reference: N-1, 2026 ACE Plan, page 29, Figure 7: Subsequent Submittal Project Status Update; page 57, Figure 35: Routine Capital Spending Project Breakdown Yr/Yr; and Appendix C – Updated Q3 Capital Reports.

Preamble: NSPI has listed nine IT General Plan projects that were deferred from 2025 and are now anticipated as 2026 Subsequent Submittals. NSPI has also listed IT projects that are carry-over capital spending from 2025 or before.

(a) Please explain the variance in forecasted total expense between the 2025 ACE Plan and the 2026 ACE Plan for each of the following projects, including key drivers (scope, schedule, vendor costs, resourcing, cyber-related requirements, …etc. as applicable):

(i) C0068719 IT - Distributed Intelligence Apps;

(ii) C0047278 IT - Oracle MDM Upgrade;

(iii) C0068714 IT - Identity & Access Management;

(iv) C0067863 IT - Managed Detect & Respond;

(v) C0047277 IT - GIS Utility Network Migration;

(vi) C0021835 IT - CIS Replacement.

(b) To what extent, if any, have the noted increases been caused or contributed to by the cybersecurity breach in 2025, and resulting deferral of these projects (quantify where able).

(c) Please reconcile the treatment of C0062624 IT - Mobile Field Connectivity Enhancements in Figure 7 as a "2026 ACE Plan Subsequent Submittal" and as "Carry-over Capital Spending" in Figure 32.

Request IR-13:

Reference: N-1, 2026 ACE Plan, page 38, Figure 11: Historical Value of Projects Less than $1M; and page 39, Figure 12: Historical Number of Projects Less Than $1M.

Preamble: Within 2026 there is a significant increase in forecasted spending for projects less than $1M – approximately $39 million higher than in 2025 – and a notable increase in the number of projects – 122 more projects than in 2025.

(a) Please explain the drivers for the 2026 increase in both spending and number of projects under $1M, including whether there have been any internal protocol or process changes contributing to this change.

(b) Please describe how NSPI considered affordability and rate impacts in relation to the increased volume and spend of under $1M projects for 2026, including any screening or prioritization applied?

Request IR-14:

Reference: N-1, 2026 ACE Plan, page 40 Figure 13: Generation Investment – Historical, Forecast and Budget.

Preamble: In 2026, renewable generation investment appears to decrease, with estimated spending approximately $25 million lower than in 2025.

Please explain why NSPI forecasts lower generation investment in renewables in 2026 compared to 2025, including specific reference to compliance with the Renewable Electricity Standards and requirement to reach 80% renewables by 2030, along with NSPI's 2030 Clean Power Plan?

Request IR-15:

Reference: N-1, 2026 ACE Plan, page 57, Figure 32: General Plant Carry-over Capital Spending Summary, "C0061284 IT - OT Cyber Security Control Implementation Phase 1".

(a) Please confirm this project was originally a subsequent submittal project from the 2024 ACE Plan, and identify the original planned in-service date?

(b) Did the deferral of C0061284 to 2025 have any impact on NSPI's cybersecurity risk profile, as assessed internally and/or by third-party advisors, including any updated risk assessments, audit findings, or mitigation plans (provide documents where available)?

(c) Please describe any assessment conducted by NSPI regarding whether delays in initiating C0061284 affected the likelihood or impacts of the 2025 cybersecurity incident. Please provide all supporting documentation, including internal and third-party assessment materials, relied upon by NSPI.

(d) Where this is noted as "Phase 1", does NSPI have a broader "Cyber Security Implementation" Plan? If so, please provide the plan or a summary roadmap of phases, priorities, timelines, and associated capital projects.

Request IR-16:

Reference: N-1, 2026 ACE Plan, page 62, Figure 35: Routine Capital Spending Project Breakdown Yr/Yr - "P063 CI: 39304, Class 3 Work Vehicle Replacements".

NSPI requests an increase of approximately $4 million in Class 3 Work Vehicle Replacements from the $11 million expense from 2025. Please explain the reason for the significant increase from 2025, which had already seen a $9 million increase from 2024.

Request IR-17:

Reference: N-1, 2026 ACE Plan, page 62, Figure 35 : Routine Capital Spending Project Breakdown Yr/Yr; page 70, Figure 42: Summary of Forecasting Methodology for Distribution Routines; and page 73, Figure 44: Distribution Upgrades and Replacements.

Preamble: NSPI has confirmed that the forecasting for D008 - Provincial Storm Routine Spending is derived from a 5-year historical average, excluding "Extreme Event Day storms".

Please provide the 5-year historical dataset used for forecasting the D008 Provincial Storm spending for 2026 and identify which storms/days were excluded as "Extreme Event Day storms removed," including the quantitative impact of the exclusions on the 2026 forecast.

Request IR-18:

Reference: N-1, 2026 ACE Plan, page 96, lines 1-8, "Reliability Strategies".

> *This approach is driven by and aligned with NS Power's asset management strategy for T&D assets and includes implementation by the Reliability team. In addition to the dedicated areas of scope and responsibilities for the Reliability team (vegetation management, transmission line and distribution feeder inspection, capital project engineering, distribution standards, performance standards reporting, and stakeholder engagement related to reliability), the team works closely with others across the broader Energy Delivery team as well as the Enterprise Asset Management (EAM) team to prioritize and execute work that is aimed at driving reliability improvements for NS Power's customers.*

(a) Please provide an organization chart showing:

(i) the Reliability Team;

(ii) its interfaces with the "broader Energy Delivery team" and "Enterprise Asset Management (EAM) team"; and

(iii) accountability (role/title) for vegetation management, feeder inspection, transmission line inspection, capital project engineering, distribution standards, performance standards reporting, and stakeholder engagement.

Request IR-19:

Reference: N-1, 2026 ACE Plan, pages 97-98, "Centre for Energy Advancement through Technological Innovation (CEATI) Grid Resiliency Working Group Update".

(a) Please provide a copy of the final terms of reference for the CEATI Grid Resiliency Working Group.

(b) Please provide a copy of the outcomes/ results of the Resiliency Benchmarking Survey (if available), and the referenced discussion paper on Transmission System Resiliency.

Request IR-20:

Reference: N-1, 2026 ACE Plan, page 99, lines 18-20.

As NS Power has worked to identify a metric (or suite of metrics) that can provide a clear evaluation as to whether a reliability-based project has met its intended benefit, it has become evident that such a metric is not presently in use in the utility sector.

(a) Please list all alternative options NSPI considered for evaluating whether reliability-based projects met intended benefits.

(b) Did NSPI complete a jurisdictional scan or summary of other reliability metrics used by utilities in North America, or Canada? If so, please provide.

(c) What other jurisdictions/utilities use the measure of Reliability Cost Efficiency (as referenced by NSPI)?

(d) In NSPI's review of other utilities and reliability metrics, please describe how other utilities measure individual project impacts on circuit performance and system performance, and how those approaches differ from NSPI's approach?

Request IR-21:

Reference: N-1, 2026 ACE Plan, pages 112-113, "Update on storm performance and related capital investments".

Preamble: NSPI identifies capital programs for storm response/reactive work for 2026 including D008 and T001.

(a) Please describe how NSPI allocates storm-related costs between capital storm routines (e.g., D008/T001) and operating storm response costs.

(b) Please explain how increased reliability investments (as outlined in the 5-Year Reliability Plan and 2025 spending) affect the estimation of storm response costs year over year, including any modelling/assumptions used?

(c) Please confirm whether NSPI expects that increased reliability investment will reduce certain storm response costs over time. If NSPI does not expect a reduction, please explain why?

Request IR-22:

Reference: N-1, 2026 ACE Plan, page 133, lines 30-31, and page 134, lines 1-10.

In addition, NS Power anticipates the scope of the CIS Replacement project would also include enhancements to enable new tariff designs such as Time of Use (TOU), Critical Peak Pricing (CPP), real-time pricing, and Time Varying Pricing (TVP), and accommodate new programs such as Green Choice.

Since the cyber incident was discovered on April 25, 2025, a dedicated team within NS Power along with third-party cybersecurity experts, have been actively investigating the recent ransomware attack affecting both customers and the Company. While the CIS system itself was not impacted, the investigation into impacted systems may yield important considerations for future requirements to be included in the CIS Replacement project. As such, this investigation could impact the direction and timeline of the CIS Replacement project and work to advance the project which has been temporarily paused.

Given the noted additional scope items, and stated potential impact to the “direction” and “timeline” for this project, does NSPI anticipate filing a scope change application for the C0021835 - IT – CIS Replacement project? If so, when? If not, please explain.

Request IR-23:

Reference: **N-1, 2026 ACE Plan, Appendix G – Five-Year Reliability Plan Update.**

(a) Please identify the projects (by CI number) in the 2026 ACE Plan that correspond to the investment amounts in Appendix G (5-Year Reliability Plan Update), and provide a table with the following columns:

(i) CI number/Project Name;

(ii) 2026 Budget;

(iii) Reliability Plan Category;

(iv) Description of Reliability Enhancement; and

(v) For Routine projects, the specific change being implemented as a result of the Updated Reliability Plan.

(b) Following the 2025 ACE Plan hearing, and initial discussions about the 5 Year Reliability Plan, has NSPI conducted an affordability analysis, rate impact analysis, and/or cost-benefit analysis regarding the increased reliability spending reflected in the 5-Year Reliability Plan? If yes, please provide. If not, please explain.

Request IR-24:

Reference: **N-1, 2026 ACE Plan, Appendix G – Five-Year Reliability Plan Update.**

Preamble: The Board directed NSPI to provide annual updates on the Five-Year Reliability Plan in each ACE Plan filing. NSPI states it has updated the Plan for 2026.

(a) Please describe the process NSPI used to review and update the Five-Year Reliability Plan for 2026.

(b) Please provide a summary table identifying all substantive changes between the 2025 Reliability Plan and the Updated 2026 Reliability Plan organized by section, and including rationale for each change. Please identify changes to:

(i) Program design or scope;

(ii) Prioritization approach or criteria;

(iii) Assumptions (cost, timeline, outcomes);

(iv) Targets (SAIDI, SAIFI, restoration); and

(v) Reporting commitments.

(c) Please confirm and explain why none of the forecasted total investment amounts have changed from the 2025 Plan?

(d) For each stated 2029 goal, please identify what inputs, assumptions, baselines, and calculations were updated in the 2026 Plan compared to the 2025 Plan, and explain.

Request IR-25:

Reference: N-1, 2026 ACE Plan, Appendix F – Path to 2030, at page 36 (pdf page 689).

Preamble: NSPI reports the anticipated retirement or conversion date for Lingan 2 as 2027, based on the 2025 10 Year System Outlook Report.

(a) Please confirm the accuracy of this forecasting and identify the source document relied upon.

(b) Please provide the total forecasted capital investment in Lingan 2 prior to that retirement/conversion date, by year and by project, in a table format?

(c) Aside from the subsequent submittal for C0082195 (total $3.1 million), please identify any other capital projects in the 2026 ACE Plan related to improvement, refurbishment, or maintenance of Lingan 2.

(d) How has NSPI taken into consideration the IESO-NS procurement efforts, including in relation to the Fast-Acting Generation projects, in determining when Lingan 2 can be retired?