Nova Scotia Energy Board

IN THE MATTER OF *The Public Utilities Act,* R.S.N.S. 1989, c.380, as amended

- and -

IN THE MATTER OF an Application by Nova Scotia Power Inc. for Approval of the **2026 Annual Capital Expenditure (ACE) Plan (M12619)**

2026 ACE Plan

NS Power
Closing Submission

May 29, 2026

NON-CONFIDENTIAL

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1.0 INTRODUCTION

Nova Scotia Power Incorporated (NS Power, Company) seeks approval from the Nova Scotia Energy Board (NSEB, Board) of the Company's 2026 Annual Capital Expenditure (ACE) Plan filed with the Board on December 12, 2025 pursuant to section 35A of the *Public Utilities Act*.

Overall, NS Power is requesting the NSEB's approval of 20 capital work orders with total project investments of $76.7 million and the 2026 capital routine program of $207.3 million for an aggregate total of $284.0 million. These investments are necessary to ensure the provision of safe, secure, reliable, and economical service to NS Power's customers.

As stated in NS Power's 2026 ACE Plan hearing Opening Statement, reliability is the cornerstone of this plan. Now in year two of the 2025–2029 Reliability Plan, the Company is investing approximately $1.3 billion in the power system to reduce the duration and frequency of outages in line with Performance Standards.

The Five-Year Reliability Plan focuses on vegetation management, infrastructure upgrades, and storm hardening to better prepare the grid for extreme weather and modernized operations. Since trees contacting power lines remain the leading cause of outages, NS Power's annual tree-trimming investment has increased from $25 million in 2022, to $32 million in 2023, to $45 million since 2024. Alongside this, the Company is replacing aging equipment, strengthening the transmission and distribution system, and adopting modern technologies that enable faster outage detection, isolation, and restoration, all aimed at building a more resilient grid for customers.[1]

On January 19, 2026, NS Power held a technical conference detailing the contents of the 2026 ACE Plan, prior to the filing of Information Requests (IRs). Representatives from the Consumer Advocate (CA), Small Business Advocate (SBA), Industrial Group (IG), Department of Energy (DOE), Port Hawkesbury Paper (PHP), Eastward Energy (EE) and Board staff attended the technical conference.

[1] Exhibit N-17, NS Power Opening Statement, April 17, 2026.

The Company received and filed responses to information requests (IRs) from Board staff,[2] the CA,[3] the IG,[4] and the SBA[5] on February 13, 2026.

Evidence from John D. Wilson of Grid Strategies, LLC, on behalf of the CA (Wilson Evidence),[6] was received on March 2, 2026. No other party to this proceeding filed Evidence.

On April 8, 2026, NS Power filed its 2026 ACE Plan Rebuttal Evidence.[7] On April 17, 2026, NS Power, DOE, the SBA, and the CA filed opening statements.[8] An oral hearing was held on April 21 and 22, 2026, and NS Power filed responses to Undertakings on May 6, 2026.[9]

Please accept the following as NS Power's Closing Submission with respect to the 2026 ACE Plan proceeding. In providing this Closing Submission, NS Power relies on the entirety of the written evidence it has submitted and the oral testimony provided. The Company's Rebuttal Evidence provides a comprehensive response to the comments contained in the Wilson Evidence. To the extent an issue or concern is not addressed specifically in this Closing Submission, it should not be interpreted as NS Power's agreement or acceptance of another party's position on the matter. To the extent required, NS Power will address any such issues in its Reply to Closing Submission.

[2] Exhibit N-6, NS Power (NSEB) RIRs 1-202, February 13, 2026.
[3] Exhibit N-3, NS Power (CA) RIRs 1-3, February 13, 2026.
[4] Exhibit N-5, NS Power (IG) RIRs 1-25, February 13, 2026.
[5] Exhibit N-7, NS Power (SBA) RIRs 1-29, February 13, 2026.
[6] Exhibit N-9, Evidence of John Wilson on behalf of the CA, March 2, 2026.
[7] Exhibit N-12, NS Power Rebuttal Evidence, April 8, 2026.
[8] Exhibit N-17, Opening Statement of NS Power, April 17, 2026; Exhibit N-16, Opening Statement of DOE, April 17, 2026; Exhibit N-14, Opening Statement of the SBA, April 17, 2026; Exhibit N-15, Opening Statement of the CA, April 17, 2026.
[9] Exhibit N-21, NS Power Responses to Undertakings, May 6, 2026.

2.0 CAPITAL PLANNING

NS Power employs a centralized capital planning governance structure that reviews and approves project proposals to ensure all ACE Plan investments are fully justified, strategically aligned, and deliver maximum customer benefit. This annual planning cycle typically begins early in the preceding year and culminates in the ACE Plan filing with the NSEB.

NS Power's 2026 ACE Plan is designed to fulfill the Company's statutory obligation under the *Public Utilities Act* to provide safe and adequate service. The Plan is the product of a comprehensive capital planning framework anchored in the NSEB-approved Capital Expenditure Justification Criteria (CEJC). The CEJC establishes a structured rating system under which each project is assessed across Justification Criteria, and a numeric Risk Rating derived from multiplying asset Criticality (1-5) by Condition (1-5), yielding priority scores ranging from 1-25. This framework provides thorough oversight, ensuring that all investment decisions are grounded in evidence and aligned with the Company's obligation to deliver safe, adequate, and reliable service.

NS Power's bottom-up risk-based planning approach directly supports this obligation by ensuring that capital investment decisions are driven by asset condition and risk, rather than predetermined spending targets. As stated in NS Power's response to NSEB IR-2(c):

> The multi-year forecast was developed, similar to all current year forecasts, utilizing a bottom up approach, based on the asset management mechanism […] No constraints are put on this process during the development of the plan to ensure NS Power is solely focusing on a risk based approach to asset investment.[10]

The 2026 ACE Plan forecasts were developed from asset-specific risk assessments considering both criticality and condition to determine the overall risk rating. This bottom-up approach ensures that investment flows to areas of genuine need, and addresses concerns about simply "filling an envelope"[11] rather than responding to actual asset conditions. Each project included in the 2026

[10] Exhibit N-6, NSPI (NSEB) RIR-2.
[11] 2026 ACE Plan Hearing Transcript, April 21, 2026, page 218 (PDF page 226 of 370).

ACE Plan is individually justified based on current condition assessments; NS Power does not work backward from predetermined spending targets. Where condition assessments indicate that projects can safely be deferred or require revised scope, those changes are incorporated into updated forecasts and tracked through quarterly capital reporting.

Affordability is addressed at two complementary levels. At the individual project level, it is embedded in the fundamental requirement to select the least-cost method of mitigating identified risk. At the program level, the overall capital investment is subject to scrutiny through the General Rate Application process, which was recently completed with capital forecasts through 2027 that are consistent with this ACE Plan.[12]

Imposing caps or ceilings on capital expenditures would fundamentally conflict with NS Power's statutory obligation to provide safe and adequate service. Such limits would represent a departure from evidence-based asset management, potentially exposing NS Power's customers to unacceptable reliability and safety risks. Defined expenditure limits bear no relationship to the physical condition of assets or the pace of deterioration. Instead, they would force the Company to make arbitrary decisions about which risks to accept and which customers to leave vulnerable.

The appropriate safeguard is not a cap or ceiling, but rather evidence-based scrutiny at the project-level, which is precisely what the ACE Plan process is designed to provide. This framework allows the NSEB to rigorously assess whether each proposed investment is necessary for safe and adequate service and whether the associated costs are just and reasonable. The Company respectfully submits that a regulatory framework grounded in detailed project justification provides far greater customer protection than a generalized spending cap or ceiling.

[12] 2026 ACE Plan Hearing Transcript, April 21, 2026, page 176 (PDF page 184 of 370).

3.0 CAPITAL PROJECTS

NS Power wishes to address the following specific topics / projects directly that generated important discussion at the hearing:

1. Maximo Salesforce and WAM Reporting;
2. CI C0021608 TUC Shoreline Sheetpile Refurbishment;
3. CI C0080135 – CT-BGT2 Engine Refurbishment; and
4. CI C0080266 – New Distribution Right of Way Phase 11

Each are addressed in turn below.

3.1 Maximo Salesforce and WAM

CI 46075 – IT – T&D WAM Phase 2: Work Management and Scheduling & Dispatch was approved by the Board on July 4, 2022 (M10400), with a directive to provide annual reporting to the Board and stakeholders on the realization of project benefits following completion, as well as a final report in late 2027 or early 2028. In accordance with this directive, NS Power submitted its first annual benefits report on May 2, 2025 (M12253) and is currently preparing its second annual report. With respect to Recommendations 1 and 2 of the Wilson Evidence, the activities contemplated are already addressed through the Company's existing WAM benefits reporting and ongoing operational practices.

For Recommendation 1, which proposes that NS Power estimate how quantified benefits apply to specific capital projects and operating expense categories, the current annual reporting for the Work Management and Scheduling and Dispatch project already quantifies the benefits associated with the in-scope work types. These benefits arise at a system and program level rather than being directly attributable to individual capital projects or specific operating expense categories. Attempting to allocate quantified benefits to particular projects or expense categories would be inherently arbitrary and would not provide additional meaningful insight into the effectiveness of

the original WAM project. The existing WAM annual report provides the appropriate level of transparency without requiring additional reporting.

For Recommendation 2, which proposes that NS Power report on whether Maximo/Salesforce capabilities could be extended to improve operational efficiency and cost minimization in areas not currently in scope, this activity is already embedded in the Company's ongoing operational optimization efforts, including in WAM benefits reporting that highlights material changes to the deployment and use of Maximo/Salesforce.

3.2 CI C0021608 TUC Shoreline Sheetpile Refurbishment

Background and Nature of the Asset

The scope of the Tufts Cove Shoreline Sheetpile Refurbishment project is to install an approximately 80-meter-long sloped rock revetment along the southwest shoreline of the Tufts Cove Generating Station (TUC). For context, a shoreline sheetpile is a type of structural barrier which in present form is made of interlocking steel circular cells, built in a wall formation to retain infilled soil along the waterfront. Sheetpiles are primarily used to prevent coastal erosion, retain soil, and protect shorelines from wave action, tidal action, flooding, and storm damage.

This work is required to mitigate the deteriorated condition of the existing steel sheet pile structures that retain the plant shoreline. The sheetpile is in critical condition with severe corrosion in the splash zone (above high water), with multiple cells exhibiting large areas of section loss. In the lower water zone, the shoreline sheetpiles were generally in corroded condition, with the measured thickness losses ranging from 15% to 65%. The permanently submerged portion of the cells were also in corroded condition, with thickness losses between 10% and 60%.

Condition Assessment and Engineering Review

A condition assessment conducted by CBCL in October 2022 confirmed that remediation was required to maintain the structural integrity of the shoreline sheetpile. CBCL recommended that remediation be undertaken as soon as feasible to avoid potential shoreline failure and to mitigate the risk of an environmental incident, particularly given the presence of fuel lines located on top of the existing structures.

In early 2023, CBCL completed a preliminary design options analysis and identified three potential approaches: (1) combi-wall (2) concrete retaining wall and partial cell encapsulation, and (3) rock revetment.[13] Ultimately, CBCL ranked the rock revetment option highest based on design criteria, operational impacts, regulatory considerations, and cost. This option is also comparatively simple from a constructability perspective, as it avoids the need to drill king piles into bedrock and minimizes disruption to the existing shoreline and seabed. In addition, the rock revetment has an estimated 50-year service life and lower ongoing maintenance requirements.

Assessment of Alternatives

NS Power conducted its own review of CBCL's analysis with internal subject matter experts. Through this process, it was determined that the viable options were limited to the combi-wall and rock revetment alternatives.

The concrete retaining wall and partial encapsulation option was effectively ruled out immediately as it would rely on the current structural integrity of the existing cells and would not provide any structural capacity to resist lateral loads.[14] In essence, this option would primarily serve to slow further corrosion of the already deteriorated shoreline sheet pile cells. Given that the majority of the existing wall is in critical condition, with thickness losses of up to 60% and areas of complete

[13] Exhibit N-1, NS Power 2026 ACE Plan, G03 C0021608, PDF page 153 of 782.
[14] Exhibit N-1, NS Power 2026 ACE Plan, G03 C0021608, Attachment 1, CBCL Report page 13, PDF page 170 of 782.

section loss,[15] it was determined that further study to assess the wall's structural capacity and to further evaluate this option would not be a prudent or efficient use of resources.

The combi-wall option would involve installing a new anchored wall system in front of the existing structure. This design includes king piles driven approximately two metres into bedrock and supported by 64 mm diameter steel tie rods drilled and grouted roughly six metres into the bedrock. The new wall would effectively render the existing sheet pile structure redundant.

As noted by CBCL, the combi-wall option is highly sensitive to geotechnical conditions, which were not fully characterized at the time of the initial assessment. A subsequent geotechnical investigation, including a harbour floor survey conducted in mid 2024, identified conditions that were less favourable than those assumed in the original options analysis. Most notably, bedrock elevations were found to be approximately 0.5 to 2 metres deeper than assumed, resulting in a thicker overburden layer of dense, boulder-rich glacial till. It is expected that these conditions would significantly increase the complexity of drilling and anchoring requirements and introduce greater constructability challenges relative to the original conceptual design. As a result, NS Power concluded that the combi-wall option would involve higher cost, increased execution risk, and greater uncertainty, and therefore supporting the decision not to advance this option.

Selection of the Preferred Option

Based on the options analysis and subsequent geotechnical investigations, it is reasonable to conclude that the rock revetment option is materially less complex and less expensive than the combi-wall alternative, even without advancing both options through detailed engineering design and RFP processes.

The rock revetment relies on a gravity-based, displacement construction approach that is inherently tolerant of the site's variable geotechnical conditions, including very loose surficial gravels,

[15] Exhibit N-1, NS Power 2026 ACE Plan, G03 C0021608, Attachment 1, CBCL Report page 6, PDF page 163 of 782.

bouldery glacial till, and variable-quality bedrock, and can be constructed without major dredging or precision foundation elements. In contrast, the combi-wall design is a more complex structural system requiring drilled and anchored into fractured bedrock, corrosion protection, and stringent construction tolerances. Its performance and cost are highly sensitive to geotechnical variability, resulting in greater execution risk and contingency requirements. These differences are reflected in the Class D cost estimates and risk assessments, which indicate that the combi-wall option would be more than 3.5 times as expensive as the rock revetment, and would be subject to similar cost escalation factors between the original CBCL estimate and the final filing amount.

Accordingly, sufficient technical, geotechnical, and cost evidence exists to support the conclusion that the rock revetment represents the lowest-cost, lowest-risk solution without the need to progress both options through detailed engineering, permitting, and RFP development. It is therefore the most appropriate design to restore and preserve the long-term integrity of the shoreline at Tufts Cove. While CBCL's evaluation was an important input, NS Power's selection reflects a broader assessment of all relevant considerations and is consistent with the best interests of ratepayers.

3.3 CI C0080135 – CT-BGT2 Engine Refurbishment

The Role of BGT2 in NS Power's System

NS Power's existing diesel combustion turbine (CT) fleet including BGT2 is required to maintain grid reliability today and is foundational within the clean energy transition outlined in successive IRPs. These units provide critical fast-start, dispatchable capacity that can respond to peak demand, system contingencies, and periods of low renewable output, effectively serving as reliability backstop in a system with increasing penetration of variable resources. At the same time, they support system operability by providing flexibility, ramping capability, and stability services that enable higher levels of renewable integration. Within the IRP framework, existing CTs are treated as essential transitional assets. Although low in annual energy production, their value lies in dependable availability when needed, making them a cost-effective and prudent component of both current operations and the broader resource plan supporting the Clean Power Plan (CPP).

Impact of Delay Pending Outcome of IESO-NS-led IRP

This project cannot be deferred or delayed pending the outcome of the IESO-NS-led IRP. It is NS Power's understanding that the IESO-NS-led IRP is expected by or near the end of 2026. The need for existing diesel CTs will not be re-evaluated during the 2026 IRP. They are a known and essential component of the resource mix required in support of the Province's Clean Power Plan, and to achieve environmental policy targets.

In previous Integrated Resource Plans (IRPs) and as is reflected in the CPP, NS Power found that the new fast acting combustion turbines - which are needed to replace the capacity that will be retired to support peak demand and to integrate wind - are supported by the Burnside units.[16] Since the 80% RES requirement is supported by the wind development planned as part of the CPP, the fast acting generation is critical to achieving these targets. This finding assumed that NS Power

[16] 2026 ACE Plan Hearing Transcript, April 22, 2026, page 423 (PDF page 71 of 254).

would also continue to operate the diesel CTs, including BGT2, as part of the resource portfolio mix to meet both the capacity needs and support the integration of wind.

Any delay in completing this project would put the reliable operation of this unit at risk and impact NS Power's ability to meet peak customer demand and support the integration of the wind resources and meet environmental policy targets.

Lease Alternatives

At the hearing, the Board panel asked a question regarding the availability of a leased engine.[17] NS Power submits that it considered alternatives to refurbishment of the engine but determined that a lease alternative is not acceptable because even if a leased engine were available which is not guaranteed, leasing a combustion turbine engine is only a short-term contingency measure and does not address the underlying condition or overhaul requirements of Burnside Unit 2.

NS Power maintains access to leased FT4 engines if available by Pratt Whitney solely to manage unexpected outage extensions or concurrent unplanned CT outages, not as a planned asset strategy.

A leased engine would typically be a previously used FT4 with unknown operating history, duty cycles, and maintenance condition, introducing elevated reliability and operational risk for a critical fast-acting resource relied upon for system stability. As such, leasing does not provide a durable, low-risk solution and cannot substitute for refurbishing a known engine with a fully documented history and predictable performance that has a critical role to play in the CPP and the path to an 80% renewable energy target by 2030.

[17] 2026 ACE Plan Hearing Transcript, April 22, 2026, page 425 (PDF page 73 of 254).

3.4 CI C0080266 New Distribution Right of Way Phase 11

The New Distribution Right of Way program establishes new rights-of-way, providing 6 meters of clearance, wherever feasible, for distribution feeders where rights-of-way had not previously existed. The program targets circuits where existing vegetation management practices have had limited effectiveness in preventing off right-of-way tree contacts and their resulting impacts on distribution system reliability.[18] Once established, these rights-of-way become long-lived assets that deliver ongoing, multi-year benefits to customers.[19] Ongoing maintenance of the cleared corridors is subsequently managed through the operating tree-trimming program.[20] As noted by Mr. Beaton, the classification of this work as capital has been thoroughly reviewed with NS Power's finance team at the time of implementation and is consistent with standard accounting practices.[21]

Project Justification and Cost

Phase 11 continues the New Distribution Right of Way program, which has been consistently approved by the Board and remains a cornerstone of the Five-Year Reliability Plan's vegetation management strategy. The unit cost of $43,200 per kilometer as filed in the Application reflects NS Power's forecast for Phase 11. As explained in response to NSEB IR-134, changes in unit costs between Phase 10 and Phase 11 are primarily driven by higher contractor operating costs, including fuel surcharges, as well as an expanded scope of work. This expanded scope includes the removal of hazard trees located outside the defined right-of-way edge, such as trees weakened by prior storm damage or species that are inherently more susceptible to windthrow and failure.[22] These trees are often identified during active field work, making their costs difficult to forecast precisely in advance, but they fall squarely within the program's objective of mitigating vegetation-related risk.[23]

[18] Exhibit N-1, NS Power 2026 ACE Plan, PDF page 413 of 782.
[19] 2026 ACE Plan Hearing Transcript, April 22, 2026, page 433 (PDF page 81 of 254).
[20] 2026 ACE Plan Hearing Transcript, April 22, 2026, page 433 (PDF page 81 of 254).
[21] 2026 ACE Plan Hearing Transcript, April 22, 2026, page 434 (PDF page 82 of 254).
[22] Exhibit N-6, NSPI (NSEB) RIR-134.
[23] Exhibit N-6, NSPI (NSEB) RIR-134.

NS Power recognizes that the cost per kilometre increased in 2024 and 2025 and continues to work with contractors to manage costs and improve efficiency wherever feasible. These efforts are expected to help moderate unit costs on a go-forward basis. It is also important to note that 2025 saw additional cost pressures associated with wildfire risk mitigation measures, including end-of-day monitoring requirements, which reduced productivity and contributed to higher unit costs in that year.[24] These conditions cannot be predicted, therefore are not factored into the unit cost for Phase 11.[25]

Effectiveness and Timing of the New Distribution ROW program

NS Power emphasizes the importance of continuing to improve vegetation condition across the distribution system, irrespective of the outcome of the ongoing review of the Five-Year Reliability Plan in M12558.[26] Tree contacts remain one of the leading causes of outages across the system and the primary cause during weather-related events.[27] Because these initiatives directly address those risks, any delay in program execution would materially impair NS Power's ability to reduce outages for customers and to achieve reliability performance targets, including SAIDI.

The effectiveness of the New Distribution Right of Way program is primarily measured by improvements in vegetation condition ratings on treated feeders. In 2025, work was completed on portions of 71 feeders, with all treated areas demonstrating notable improvements in condition ratings.[28] Phase 11 will also benefit from an enhanced prioritization methodology that integrates satellite imagery and artificial intelligence to assess vegetation conditions across approximately 28,000 kilometres of the distribution system.[29] This approach enables more precise identification of high-risk locations than would be feasible through manual inspection alone, allowing NS Power to better target investments where they will have the greatest impact on system reliability.[30]

[24] Exhibit N-6, NSPI (NSEB) RIR-133.
[25] Ibid.
[26] Exhibit N-6, NSPI (NSEB) RIR-137(d).
[27] Ibid.
[28] Exhibit N-6, NSPI (NSEB) RIR-137(b).
[29] Exhibit N-6, NSPI (NSEB) RIR-138.
[30] Exhibit N-6, NSPI (NSEB) RIR-138.

4.0 REPORTING ON TREE CONTACTS

NS Power's 2026 ACE Plan and Appendix G note that up to 40% of outage events coded as "Adverse Weather" in NS Power's outage management system are estimated to be attributable to tree contacts. Several points related to this proxy were discussed during the hearing, each of which are addressed further below.

First, the 40% estimate reflects a well-understood operational phenomenon. NS Power follows the Electricity Canada cause code definitions for outage coding. Under those definitions, Adverse Weather encompasses customer interruptions resulting from rain, ice storms, snow, winds, extreme ambient temperatures, freezing fog, or frost and other conditions, while Tree Contacts are customer interruptions caused by faults due to trees or tree limbs contacting energized circuits.[31]

In practice, during periods of heavy snow accumulation, ice loading, and sustained wind, trees in proximity to power lines will flex, lean, and make contact with conductors under the weight of accumulation. These tree contacts cause outages. When conditions change, as temperature rises, snow slides off branches, or wind direction shifts, the tree returns to its original position and is no longer in contact with the line. When NS Power's field crew arrives to investigate the outage, there is no visible tree on the line, and the crew appropriately codes the event as Adverse Weather.[32] The 40% estimate reflects the collective judgment of experienced field operations and vegetation management professionals, based on their knowledge of how these events present in practice.[33]

Second, the record provides important context for how the vegetation proxy should be interpreted. As set out in NS Power’s Rebuttal Evidence and confirmed during the hearing, the data presented in Figures 65 through 69 of the 2026 ACE Plan includes only events coded as Tree Contacts and excludes those coded as Adverse Weather.[34] The 40% proxy is not applied in those figures. Rather, it is used separately in Appendix G, Figure 2 as a directional tool to understand total vegetation-

[31] Exhibit N-3, NSPI (CA) RIR-24(b).
[32] 2026 ACE Plan Hearing Transcript, April 21, 2026, pages 101-103 (PDF pages 109-111 of 370).
[33] 2026 ACE Plan Hearing Transcript, April 21, 2026, pages 99-103 (PDF pages 107-111 of 370).
[34] Exhibit N-12, NS Power Rebuttal Evidence, page 14; 2026 ACE Plan Hearing Transcript, April 21, 2026, page 105 (PDF page 113 of 370).

related outage contribution across cause codes. As clarified by the NS Power panel, if estimated adverse weather tree contacts were included in Figures 65 - 69, the reported level of tree contact outages would be higher, confirming that the current presentation is conservative.[35]

In response to the SBA's questions regarding how changes in tree contact outage performance should be interpreted in light of evolving weather conditions, and Mr. Wilson's observation that the 40% estimate has not been formally updated since 2019, the record provides clear context.

As explained by the NS Power panel, wind gusts above 80 kilometres per hour, the threshold at which tree contact outages become more prevalent, have increased materially over time.[36] Despite this more challenging operating environment, NS Power achieved a 19% year-over-year reduction in outages due to tree contacts in 2025, and customer hours interrupted ("CHI") from tree contacts reached its lowest level since 2020.[37] These results demonstrate the effectiveness of the vegetation management program. NS Power expects that continued right-of-way clearing and related vegetation management activities will further reduce both the number and proportion of outages caused by tree contacts, under both adverse and non-adverse weather conditions, by increasing the separation between tree lines and power lines.

As confirmed in response to CA IR-24(d), the 40% estimate continues to be validated through the experience and assessment of NS Power's subject matter experts, including field reviews of large adverse weather events. Based on that expertise, there is no indication that the estimate has changed materially since it was developed.[38] NS Power acknowledges this as a reasonable methodological point and will continue to engage its subject matter experts in reviewing the estimate as the vegetation management program evolves.

To the extent the Board determines it would be helpful, NS Power can provide more clarity on the datasets used to produce the trendlines in Figures 65 - 69 for future ACE Plans subject to the

[35] 2026 ACE Plan Hearing Transcript, April 21, 2026, pages 105-106 (PDF pages 113-114 of 370).
[36] 2026 ACE Plan Hearing Transcript, April 21, 2026, page 122 (PDF page 130 of 370).
[37] 2026 ACE Plan Hearing Transcript, April 21, 2026, page 148 (PDF page 156 of 370).
[38] Exhibit N-3, NSPI (CA) RIR-24(d).

Board's discretion regarding NS Power's below proposal in Section 6.0 to revisit the data included with ACE Plans.

5.0 EFFECTIVENESS OF RELIABILITY INVESTMENTS

Consistent with the 2026 ACE Plan proceeding, it is important to emphasize that NS Power's reliability investments are effective and are delivering measurable reliability improvements for customers. The Company is confident that the programs being advanced under the Five-Year Reliability Plan are the correct ones to achieve these results. NS Power applies a robust evaluation framework for capital expenditures, including reliability investments, using the Board-approved CEJC to assess all projects, including those within the Five-Year Reliability Plan. The effectiveness of these efforts is demonstrated through the extensive data, analysis, and supporting context provided in the 2026 ACE Plan, the IR process, and the hearing.

As reflected in the 2025 Performance Standards Report, NS Power continues to see improvements in SAIFI and SAIDI performance and remains on track to achieve its goals under the Five-Year Reliability Plan. However, as detailed in the 2026 ACE Plan filing and during the hearing, lagging indicators such as SAIFI and SAIDI do not, on their own, provide a complete picture of performance or risk. NS Power also considers leading indicators, including vegetation condition, inspection results, to develop a more comprehensive view of asset condition, and combined with asset criticality to understand overall system risk. In particular, the use of vegetation condition data has enabled more targeted and proactive interventions, including ROW widening and new ROW programs, for the benefit of customers.

As a result, assessing effectiveness solely by reference to SAIFI and SAIDI trends before and after specific interventions does not capture the full benefit of investments that prevent outages from occurring in the first instance. Mature utility management, grounded in risk-based decision-making, does not rely on reactive measures or wait for outages to occur to demonstrate improvement. The transformer replacement strategy is a prime example of this as these are replaced based on leading indicators, and in almost all instances are replacing an asset before it experiences a failure therefore will not show an improvement in lagging indicators (SAIFI / SAIDI). A singular focus on lagging indicators, without consideration of leading indicators, will place the utility in a reactive posture and limits the opportunity to implement more proactive (and potentially more effective and efficient) mitigating strategies.

NS Power also notes the ongoing review of Performance Standards and the potential for material changes in the scope and targets for existing standards as well as the potential introduction of additional, new standards. As the Five-Year Reliability Plan was designed and developed with achievement of the current Performance Standards SAIDI target in mind, any changes to the underlying standards would require consideration by NS Power on how the Five-Year Reliability Plan would need to be adjusted. This could take the form of changes to the plan scale and/or pace of the investments as well as the addition of programs or tracks to address potential new standards as appropriate. Such changes, if needed, would be communicated to the Board and stakeholders through capital filings and annual plan updates.

6.0 RELIABILITY RELATED FIGURES IN ACE PLANS

In closing, and in light of questions raised throughout the hearing, NS Power wishes to raise an administrative matter for the Board and stakeholders to consider in future proceedings. Specifically, NS Power respectfully submits that there may be value in reassessing the extent of information and the number of figures included in the body of ACE Plan applications, as certain materials may create confusion without providing meaningful probative value for the issues before the Board. Certain information and figures currently included in Section 11.1.4 of the 2026 ACE Plan have been provided since the Board's Decision in the 2013 ACE Plan and were supplemented following an agreement with stakeholders during the 2015 ACE Plan process.

In 2017, the Board approved Performance Standards for NS Power. As part of the 2017 ACE Plan process, the Board directed NS Power to continue providing this information, noting that it was not yet clear which elements would be fully addressed through Performance Standards reporting, and that the matter should be revisited in a future ACE Plan proceeding.

In 2019, following the 2019 ACE Plan proceeding, the Board initiated a stakeholder engagement process to identify potential improvements to the ACE Plan. As part of that process, NS Power proposed several revisions to create a more concise and streamlined document, with corresponding benefits for Board staff and stakeholders in their review. One such proposal was to remove the Reliability section from the ACE Plan and instead include this information within Performance Standards reporting, thereby consolidating similar information in a single location and presenting it in a clearer and more meaningful way. The SBA indicated that, should this approach be adopted, NS Power should identify within the ACE Plan those projects that affect or are affected by Performance Standards. The CA supported both the relocation of the information and the SBA's suggestion. At that time, however, the Board determined that the information remained useful and should continue to be included in the ACE Plan.

Since 2019, reliability has remained a central focus of ACE Plan proceedings. NS Power has provided multiple perspectives on performance data to support its reliability investments,

including various graphical presentations of reliability statistics (which, due to the timing of the ACE Plan filing contain partial-year data), normalized metrics that remove the effects of variable factors, storm event analyses, and asset demographic information. Some of this information, such as normalized SAIDI, has led to confusion among parties regarding its interpretation. In addition, graphics based on partial-year data, while directionally informative, do not present a complete picture of full-year results.

Accordingly, NS Power respectfully submits that it may now be an opportune time to reevaluate how this data is presented and provided. To the extent that information regarding system-level performance, including the contribution of significant, major, and extreme events, is already captured in the annual Performance Standards reporting, NS Power recommends that such information not be duplicated or modified in ACE Plan applications.

To the extent the Board continues to find the remaining information useful in its review of projects submitted for approval either through the ACE Plan, or subsequently through the year, then NS Power recommends the remaining information contained in the Reliability section of the ACE Plan be moved to the annual Five-Year Reliability Plan update, appended to the ACE Plan going forward. This would ensure that similar information is contained in one document, as opposed to across multiple different documents.

7.0 CONCLUSION

Consistent with prior ACE Plans, NS Power's 2026 ACE Plan reflects the Company's focus on providing customers with safe and reliable electrical service in the most cost-effective manner possible. NS Power is confident that the responses provided in Information Requests, Rebuttal Evidence, and during the hearing, address the matters raised in the Wilson Evidence, and provide the NSEB with the information required to endorse the capital projects and routines submitted for approval.

NS Power respectfully requests that the Board approve the 2026 ACE Plan capital projects and routines, as filed, as well as the revised Summary CEJC, as amended in NS Power's Rebuttal Evidence.