ORDER **M12619**

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF AN APPLICATION by **NOVA SCOTIA POWER INCORPORATED** for Approval of its **2026 Annual Capital Expenditure Plan**

BEFORE: Richard J. Melanson, LL.B., Panel Chair
Steven M. Murphy, MBA, P.Eng., Member
Jennifer L. Nicholson, CPA, CA, Member

ORDER

Nova Scotia Power Incorporated (NS Power) filed an application for approval of its 2026 Annual Capital Expenditure (ACE) Plan on December 12, 2025.

The Board issued an Order on June 18, 2026, however, reserved the right to provide a further Order with Directives relating to other issues arising from the hearing and addressed in its written reasons. The Order approved all the projects listed in the 2026 ACE Plan, except for CI C0080111- 2026 RTU Deployment. The Board will defer further consideration of CI C0080111- 2026 RTU Deployment, pending the receipt of a final report from Synapse Energy Consultants in Matter M12558-Review of NS Power's Five-Year Reliability Plan. The estimated cost of these approved projects is approximately $68.4 million.

The Board approved the Routine Capital Expenditures in the 2026 ACE Plan totaling approximately $207.3 million.

The Board issued its Decision on September 2, 2026.

The Board has the following directives in this matter:

1. In its 2027 ACE Plan application, the Board directs NS Power to include an update to Appendix I of its 2026 ACE Plan application to include any additional transmission line replacement and upgrade capital projects completed since filing of the 2026 ACE Plan application.

2. Beginning with the next ACE Plan, NS Power must provide as an Excel attachment - a rolling five-year comparison for each Routine showing the approved budget, actual expenditure or latest forecast, number of work orders completed or processed, appropriate physical work volume measures, appropriate unit cost measures, and must also include a program level breakdown of costs by major category, including labour, contracts, materials, travel, and other relevant cost categories. For Routines using internal labour the information should also include a breakdown of labour costs (regular and overtime labour, budgeted costs and hours, actual costs and hours).

3. NS Power must provide sufficient cost component information to explain material year-over-year changes, including labour, overtime, materials, contractor costs, vehicles or equipment and relevant overheads. NS Power must identify whether changes arise principally from volume, prices or rates, productivity, inflation, changing standards, or new or expanded work.

4. D005 and D055: NS Power must provide comparable annual information for D005 and D055 sufficient to monitor the relationship between planned and reactive replacement activity, including available failure or replacement volumes, labour and overtime information, unit-cost measures and relevant asset-performance indicators. NS Power must explain whether trends indicate that increased planned replacement is reducing unplanned replacement requirements and associated reactive costs.

5. NS Power must assess how existing Maximo/Salesforce, compatible-unit and Work Management information can be used to provide Routine level productivity measures and report on opportunities to extend comparable cost and productivity monitoring to contractor-intensive activities.

6. For New Customer Routine programs NS Power must report external factors relied upon to explain or support changes in expenditure.

7. NS Power must include the Routine Expenditure provisions of the CEJC in the stakeholder review for the 2028 ACE Plan. The review must consider whether a materiality or other reporting trigger should require enhanced justification where a Routine experiences significant year-over-year expenditure growth or materially evolves in its work categories, standards, objectives or system capability.

8. Upon identifying a change to project deliverables, boundaries, and/or detailed tasks that NS Power believes may result in a budget increase above twice the project ATO threshold, NS Power shall file a brief notification letter with the Board in the proceeding in which the project was approved with the following information:

a) The identified change to deliverables, boundaries, and/or detailed tasks.
b) NS Power's current estimate of the potential budget increase relative to the originally Board-approved budget, which may be expressed in percentage terms as an order of magnitude without detailed support.
c) Whether NS Power has identified any new alternatives to the proposed project as a result of the information which led to the identified change; and, if so, a brief description of the alternative and a general statement as to the reason the alternative was not selected.
d) After receipt of the notification letter, the Board, on its own or in response to any intervenor, will respond by indicating whether a formal Scope Change application is required.

9. NS Power is to approach the IESO Nova Scotia and discuss whether they would participate in a joint panel to address *The Path to 2030 Update* filed with the 2027 ACE Plan.

10. The Board directs NS Power, to the extent feasible and possible, to engage and coordinate with the IESO Nova Scotia and report on that coordination in future ACE Plan filings.

11. The Board directs NS Power to provide another comprehensive update on the Mersey Redevelopment Project in the 2027 ACE Plan. The update is to include similar information as the 2026 ACE Plan update, including updated capital sustaining costs estimates, and an NPV analysis comparing the Mersey Redevelopment Project to the full and partial decommissioning options. NS Power shall also include an update related to the Mersey Hydro System modelling undertaken as part of the ISEO Nova Scotia's 2026 IRP.

12. The Board directs that NS Power provide an update on the monitoring of upgraded wooden poles like what was requested in the *2025 ACE Plan* Decision.

13. For the 2027 ACE Plan, the Board directs NS Power to provide an update on the CEATI Grid Resiliency working group.

14. The Board directs NS Power to provide a rate impact analysis as outlined in para [188] of the Board's September 2, 2026 Decision.

15. The Board directs that in every capital application for IT or cyber-related projects in 2026, 2027 and 2028, including future ACE Plans, there be a "specific reference to whether any portion of that variance was caused or contributed to by the cyber incident (including through delayed timelines, increased vendor costs, lost data, additional complexity, or otherwise.)"

DATED at Halifax, Nova Scotia, this 2nd day of September 2026.

Clerk of the Board