Nova Scotia POWER
An Emera Company

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December 18, 2025

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

**Re: Nova Scotia Power Incorporated 2026 FAM AA / BA Riders**

Dear Ms. Henwood:

As the Nova Scotia Energy Board (Board) is aware, NS Power's work with the Provincial and Federal Government and customer representatives on solutions to reduce fuel-related rate pressure have come in the form of the Invest Nova Scotia purchase of $117 million receivable from NS Power and a $500 million Federal Loan Guarantee (FLG). These items are discussed further below.

**$117 Million Invest Nova Scotia Receivable**

On April 17, 2024, the Board approved a FAM BA rider that would begin collecting on behalf of Invest Nova Scotia the $117 million receivable (M11393). Collections from customers are required to take place over a period of up to 10 years to provide payment to Invest Nova Scotia. The NSEB also approved continuing to collect this balance in 2025 through the BA rider in M11902, where the Board determined at paragraph 89:

> The amount included in the existing BA rider was already approved by the Board following a public hearing in Matter M11393, when the Board approved the collection of $117 million FAM balance Invest Nova Scotia acquired over a ten-year period. Only charges associated with interest on the outstanding balance would change (on a predictable basis) in any year. The impact on the AA/BA rider in 2025 compared to 2024 is approximately the same. As such, extending the existing BA rider on January 1, 2025, maintains the status quo while the issues involved in the second phase of this proceeding are addressed. If the rider were not extended, the result would be a rate change that would be inconsistent with known (and approved) costs that would reduce rates by a relatively small amount for a

> very short term, while slightly increasing the overall amount of interest ratepayers would be required to pay on the balance of the $117 million Invest Nova Scotia amount.

Consistent with the Board's decision in M11902, NS Power is requesting that the Board renew the existing BA rider effective January 1, 2026 to maintain the status quo and avoid a rate change that would be inconsistent with known and approved costs. NS Power intends to file its AA/BA rider application in January 2026, which will not allow for a decision on that filing to be made by January 1, 2026. Therefore, if the rider is not extended independent from the AA/BA rider application, rates would be reduced by a relatively small amount for a very short term, while slightly increasing the overall amount of interest ratepayers would be required to pay on the balance of the $117 million Invest Nova Scotia amount**.**

**$500 Million FLG**

In 2024 NS Power and NSPML worked with the Government of Canada to arrange for NSPML to issue $500 million in federally guaranteed debt, repayable over 28 years. The proceeds were provided to NS Power as a refund of Maritime Link (ML) Assessment costs to better align the cost and benefits of the ML and were applied by NS Power against the FAM balance based on customer classes' historic cost responsibility of ML Assessment fees. Beginning in 2025, NS Power has been assessed the additional costs related to the Supplemental FLG through the ML Assessment. This approach aligns the costs with the timing of benefits through NSPML's cost assessments. The first year of recovery was administered via the FAM AA rider and approved in M11902. This method was used for convenience, as the Base Cost of Fuel (BCF) was not reset for 2025.

As proposed in NS Power's 2026-2027 General Rate Application (GRA) (M12451), the Supplemental FLG costs will no longer be collected through the FAM AA rider as those costs are proposed to be incorporated into the BCF. NS Power initially filed its GRA with an expectation that January 1, 2026 rates could be achieved; however, it is now known that rates will not be in place until sometime in 2026, after the scheduled hearing in January. As the FAM riders are scheduled to expire on December 31, 2025, and the GRA decision will not be available at that time, this will result in the current AA rider falling off and creating a temporary rate reduction for customers until such time as the BCF rate is approved, which incorporates the supplemental FLG. This is a similar scenario to that which is presented in relation to the BA rider and the $117 million Invest Nova Scotia amount.

As a result, NS Power is also requesting the Board renew the AA rider on an interim basis, until such time as those costs are included in the BCF as part of a GRA decision. Similar to the BA rider, renewing the AA rider effective January 1, 2026 will avoid a rate change that would be inconsistent with known and approved costs and avoid a scenario where rates would be reduced by a relatively small amount for a very short term, while slightly increasing the overall amount of interest ratepayers would be required to pay on the balance of the FLG.

Importantly, renewing the AA and BA riders in this manner will not result in rate increases and will not result in any additional costs for customers, it will just avoid short-term rate fluctuations.

Thank you for your consideration.

Yours sincerely,

**Michael Willett**
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