

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: *MORE ACCESS TO ENERGY ACT*

-and-

IN THE MATTER OF: AN APPLICATION by the NOVA SCOTIA INDEPENDENT ENERGY SYSTEM OPERATOR for approval of its proposed expenditure and revenue requirement for the test year ending March 31, 2027

OPENING STATEMENT
OF THE CONSUMER ADVOCATE

June 10, 2026

This Application concerns IESO Nova Scotia's proposed expenditure and revenue requirement for its second test year, ending March 31, 2027.

The application requests approval for IESO Nova Scotia's ongoing operational, maintenance and administrative (OM&A) costs budget for fiscal year 2026/2027, in the amount of \$13.08M, as well as transitional and operational planning costs in the amount of \$1.77M, for a total of \$14.85M. IESO Nova Scotia also requests that the Net OM&A Deferral and Variance Account continue to be used as a mechanism to true-up variances in actual Total OM&A Costs. Finally, the application sought immediate temporary financial relief from Nova Scotia Power in the amount of \$950,000 per month, due to the absence of a permanent fee and cost recovery mechanism.

This latter request was addressed previously in this proceeding by the Board, which ultimately approved the request, but found that the circumstances in which IESO Nova Scotia found itself were entirely of its own doing. In this regard, the Board found that the development of a rate recovery mechanism should have been a top priority for IESO NS, but was inappropriately delayed, bringing IESO NS to the brink of insolvency. Compounding the matter is the fact that IESO Nova Scotia's application failed to include a request for the approval of a permanent fee recovery mechanism, notwithstanding that IESO Nova Scotia had indicated in its prior application that a rate recovery mechanism would be included in this application. IESO Nova Scotia's request for temporary relief was ultimately approved by the Board to "avoid making the bad situation

1 created by IESO Nova Scotia even worse.” Notably, the Board was also critical of the fact that
2 IESO Nova Scotia’s application was lacking in detail. The Board specifically indicated its
3 expectation that the application would be “significantly supplemented by IESO Nova Scotia in its
4 information request responses in this matter.”
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6 The Consumer Advocate has reviewed IESO Nova Scotia’s application, as well as the responses to
7 Information Requests filed in this matter, and submits that the evidence remains lacking in detail.
8 Among other issues, the Consumer Advocate has concerns about the reasonableness of costs, as
9 well as the progress in transitioning functions from NS Power to IESO NS. The Consumer Advocate
10 is also concerned about IESO Nova Scotia’s progress with respect to the development of a
11 permanent fee recovery mechanism.
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13 We would look forward to exploring these issues further at the hearing.
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