PARTIALLY CONFIDENTIAL (Attachments Only)

Request IR - 1

Reference: N-1, Notice of Application, Immediate Temporary Financial Relief Request, pdf p.3-4; and N-1(i) Attachment A, Affidavit of Michael McFeters pdf 45.

(a) Please provide copies of IESO-NS's current and historical financial records listed in paragraph 4 of Mr. McFeters' affidavit (along with any other records, not listed) which he reviewed.

Response IR - 1

(a) The affidavit of Mr. McFeters advised of review of the following:

- IESO Nova Scotia's banking statements;
  - Please refer to Attachment 1. Note, account numbers have been removed.
- IESO Nova Scotia's budget detail;
  - Please refer to NSEB IR-01 Attachment 1
- IESO Nova Scotia reports regarding actual spending data against budgets;
  - Please refer to Attachment 2.
- IESO Nova Scotia's aged accounts payable subledger;
  - Please refer to Attachment 3.
- IESO Nova Scotia's payroll records;
  - Please refer to Attachment 4. Note, account numbers have been removed.
- IESO Nova Scotia's departmental spending forecasts; and

    - Please refer to NSEB IR-1 Attachment 1 and Attachment 5.
- IESO Nova Scotia’s credit facility records (collectively, the “Records”).
    - Please refer to Attachment 6.

Please also refer to Attachment 7 for accrued liabilities.

IESO-IG-RIR01
ATTACHMENT #1
Removed for
Confidentiality Purposes

IESO Nova Scotia
Budget vs. Actuals: Budget_FY26_P&L - FY26 P&L
April 2025 - March 2026

	Year to Date Dec 31, 2025		Fiscal 2025/2026 Q4		FORECAST TO END OF FISCAL 2026 March 31, 2026	
	ACTUAL	BUDGET	Forecast	BUDGET	Forecast	BUDGET
Total Income	2,675,000	2,675,000	500,000	537,500	3,175,000	3,212,500
Total Expenses	3,755,146	5,268,215	4,184,165	3,250,601	7,939,311	8,518,816
Total Procurement	1,697,232	2,893,470	1,492,074	319,730	3,189,306	3,213,201

A/P Aging Summary Report
IESO Nova Scotia
As of December 31, 2025

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	Total
Board expense	$ 271.60	$ 3,288.96	$ -	$ -	$ -	$ 3,560.56
Communications	$ 38,893.88	$ 40,686.48	$ -	$ -	$ -	$ 79,580.36
Compliance	$ -	$ 91,320.60	$ 41,065.65	$ -	$ -	$ 132,386.25
Employee expense	$ 9,214.52	$ -	$ -	$ -	$ -	$ 9,214.52
Energy Consultant	$ 89,948.27	$ -	$ 8,407.50	$ -	$ -	$ 98,355.77
Facilities	$ 228.00	$ 2,219.01	$ -	$ -	$ -	$ 2,447.01
HR	$ 70,680.00	$ 108,300.00	$ 22,800.00	$ 24,293.79	$ -	$ 226,073.79
Insurance	$ -	$ 10,140.00	$ 3,418.00	$ -	$ -	$ 13,558.00
IT	$ 176.69	$ 3,928.19	$ 353.38	$ -	$ -	$ 4,458.26
Legal	$ 58,346.90	$ 120,375.44	$ 32,971.62	$ 35,003.67	$ -	$ 246,697.63
PMO	$ 255,367.09	$ 397,214.49	$ 176,846.45	$ -	$ -	$ 829,428.03
Procurement	$ 197,600.82	$ 120,502.13	$ 324,390.19	$ 937.08	$ -	$ 643,430.22
	$ 720,727.77	$ 897,975.30	$ 610,252.79	$ 60,234.54	$ -	$ 2,289,190.40

IESO-IG-RIR01
ATTACHMENT #4
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Confidentiality Purposes

		(000's)	ACTUAL														
		Nov-25	**Dec-25**	**Jan-26**	**Feb-26**	**Mar-26**	**Apr-26**	**May-26**	**Jun-26**	**Jul-26**	**Aug-26**	**Sep-26**	**Oct-26**	**Nov-26**	**Dec-26**	**Jan-27**	**Feb-27**	**Mar-27**
	Cash Balance - beginning of Month		1,212	510	687	1,446	2,137	3,043	2,000	1,697	1,286	1,005	718	371	1	- 974	- 2,433	- 3,882
Cash Inflows	Provincial Loan Draw Down	-	2,000	2,000	2,500	1,500	2,000	-	-	-	-	-	-	-	-	-	-	-
Cash Inflows	Other Cash items (HST etc)		304	127														
Cash Inflows	Deposit interest		3															
Cash Inflows	Interim Fee				950	950	950	950	950	950	950	950	950	950	950	-	-	-
	Total Cash Inflows	$ -	$ 2,307	$ 2,127	$ 3,450	$ 2,450	$ 2,950	$ 950	$ 950	$ 950	$ 950	$ 950	$ 950	$ 950	$ 950	$ -	$ -	$ -
Cash Outflows	Payroll (Admin)		-120	-135	-253	-253	-361	-361	-361	-361	-361	-361	-361	-361	-361	-361	-361	-361
Cash Outflows	Payroll (Operations)	-	0	-270	-270	-270	-309	-309	-309	-309	-309	-309	-309	-309	-309	-309	-309	-309
Cash Outflows	Payroll (Board)		-406															
Cash Outflows	Invoiced Expenses		-2,483	-1,545	-2,167	-1,235	-1,374	-1,323	-583	-691	-561	-567	-627	-650	-1,255	-789	-779	-567
	Total Cash Outflows	$ -	($3,009)	($1,951)	($2,691)	($1,759)	($2,044)	($1,993)	($1,253)	($1,361)	($1,231)	($1,237)	($1,297)	($1,320)	($1,925)	($1,459)	($1,449)	($1,237)
	Monthly Delta	$ -	($702)	$176	$759	$691	$906	($1,043)	($303)	($411)	($281)	($287)	($347)	($370)	($975)	($1,459)	($1,449)	($1,237)
	Net Cash Balance - end of Month	**-**	**510**	**687**	**1,446**	**2,137**	**3,043**	**2,000**	**1,697**	**1,286**	**1,005**	**718**	**371**	**1**	**- 974**	**- 2,433**	**- 3,882**	**- 5,119**

IESO-IG-RIR01
ATTACHMENT #6
Removed for
Confidentiality Purposes

Transaction Detail by Account

IESO Nova Scotia

April-December, 2025

Transaction date	Transaction type	#	Name	Class full name	Memo/Description	Account full name	Amount	Balance
> **2020 Accrued Liabilities (3)**							$99,537.75 (Total)	
TOTAL							**$99,537.75**	

Request IR - 2

Reference: N-1(i), Exhibit D-1, pdf p.41 states that IESO-NS "has determined that a minimum of Nine Hundred and Fifty Thousand Dollars ($950,000) revenue is needed each month to ensure it continues to meet its liabilities as they become due.

(a) Please provide a copy of IESO-NS's internal analysis leading to the determination that "a minimum" of $950,000 is needed monthly.

(b) Please explain the rationale for payments being required monthly, including confirmation of specific timing and amounts of liabilities coming due in the 2025/2026 fiscal year and the 2026/2027 fiscal year.

(c) Provide a weekly cash flow through to March 31, 2027, showing week-by-week opening cash, receipts (by source) disbursements (by major 7 category), and ending cash with and without the $950,000/month. State any assumptions regarding timing of receipts.

(d) Reconcile the $950,000 figure to the FY26/27 monthly burn rate by category (administrative labour, system planning labour, IT/software, legal/regulatory, procurement, finance/interest, Phase II consulting, facilities).

(e) In providing your responses above, identify which expenses are fixed versus variable, and essential versus discretionary.

(f) Provide an analysis of timing flexibility regarding monthly expenses.

Response IR - 2

Please note that the NSEB approved IESO Nova Scotia's request for temporary financial relief Pursuant to its letter of February 26, 2026.

(a) Please refer to pages 4-7 of IESO Nova Scotia's rebuttal submission of February 19, 2026.

(b) Please refer to pages 4-7 of IESO Nova Scotia's rebuttal submission of February 19, 2026.

(c) Please refer to pages 4-7 of IESO Nova Scotia's rebuttal submission of February 19, 2026. Please also refer to IG IR-1 Attachment 5 for a monthly cashflow analysis. A weekly cash flow analysis would not provide any additional insight with respect to the IESO's cash flow situation.

(d) Please refer to pages 4-7 of IESO Nova Scotia's rebuttal submission of February 19, 2026. Please refer to NSEB IR-1 Attachment 1 – this is the monthly budget presented by categories file used to inform the cash flow analysis in the rebuttal submission.

(e) Please refer to pages 4-7 of IESO Nova Scotia's rebuttal submission of February 19, 2026. All of the IESO's expenses are considered fixed and essential at this time.

(f) Please refer to pages 4-7 of IESO Nova Scotia's rebuttal submission of February 19, 2026. Delay in paying various vendors was undertaken given the IESO's cash flow situation prior to the NSEB's approval of temporary financial relief. Otherwise, there is little additional timing flexibility regarding monthly expenses.

Request IR - 3

(a) Where the Monthly Assessment request is "exclusive of any applicable taxes, please show the tax treatment and confirm the total payment amount inclusive of all taxes.

(b) Please provide sensitivity analyses assuming permanent fee approval on (i) September 1, 2026; (ii) December 1, 2026; and (iii) March 1, 2027, and quantify the avoided interest in each scenario.

Response IR - 3

(a) Please refer to pages 7-8 of IESO Nova Scotia's rebuttal submission of February 19, 2026. Please also refer to NSEB IR-29 Attachment 1 for KPMG's advice on HST. KPMG has advised that HST will apply to fees charged for its services. As such the interim fee will be $950,000 plus $133,000 for HST at 14% for a total of $1,083,000.

(b) This analysis cannot be completed whereas an alternative to NS Power's WACC and corresponding carrying cost is unknown at this time. An alternative cost recovery mechanism will be considered as part of the permanent fee and cost recovery mechanism expected to be submitted to the NSEB in Q1 2026/27.

NON-CONFIDENTIAL

Request IR - 4

Reference: N-1(i), Exhibit D-1, pdf p.41-43 proposed Monthly Assessment.

(a) Please provide particulars of commercial lenders approached by IESO-NS, including what financing was sought, on which date, each lender's response(s), specific (verbatim) criteria to qualify for financing and steps taken by IESO-NS to meet the qualification criteria.

(b) Please provide a copy of any rejection letter(s) received from the applicable commercial lenders.

(c) Please provide a copy of the Provincial loan agreement (in confidence or with redactions, only if necessary) and a schedule showing the daily balances assumed in the interest forecast.

(d) Please provide the projected utilization of the $10 million line of credit, monthly, and specifically address how IESO-NS anticipates exhausting the entirety of that line of credit by May 2026.

(e) Please provide any formal requests made to the Province for additional financing or other support (including guarantees for commercial financing).

Response IR - 4

Please note that the NSEB approved IESO Nova Scotia's request for temporary financial relief pursuant to the Board's letter of February 26, 2026.

(a) Please refer to page 5 of IESO Nova Scotia's rebuttal submission of February 19, 2026.

(b) While IESO Nova Scotia had received clear indication from a commercial bank that, without a guarantee, revenue, or assets as security, it would not meet the criteria for a commercial financing facility, no formal rejection letters were received from commercial lenders. However, RBC has provided confirmation of its reasons in writing per Attachment 1.

(c) Please refer to IG IR-1 Attachment 7. There is no daily forecast as the budget assumes that the full $10M was drawn evenly across 365 days of the 2026/2027 fiscal year.

(d) Please refer to pages 4-7 of IESO Nova Scotia's rebuttal submission of February 19, 2026.

(e) No formal documents were produced regarding the requests to the Province for additional financing.

RBC Royal Bank

James Taylor
Director, Corporate Client Group
Commercial Financial Services

Royal Bank of Canada
1871 Hollis Street, Suite 700
Halifax, Nova Scotia B3J 0C3
Tel: (902) 421-8302
Fax: (902) 421-8319

IESO Nova Scotia
1791 Barrington St.
Suite 1010
Halifax, NS B3J 3K9

To Whom It May Concern,

Further to our ongoing discussions with the Nova Scotia Independent Energy System Operator ("NSIESO"), up to and including January 20, 2026, RBC summarily reviewed the organization's financial profile during its initial establishment phase. Based on information provided to us at that time, NSIESO did not have established revenue, approved future revenue, a meaningful credit history, existing material assets, or a loan guarantee to support conventional financing. Accordingly, as of January 20, 2026, NSIESO would not have met RBC's requirements for direct or material commercial financing.

RBC noted that any interim financing at that time would have required credit support from the Province of Nova Scotia or another creditworthy sponsor. This assessment was consistent with standard lending practices for newly formed entities without any revenue or asset backing.

This confirmation is provided solely to reflect the circumstances as they existed on January 20, 2026, and does not constitute an offer of credit, a continuing commitment, or an assessment of NSIESO's current financial condition or eligibility for financing, which may have changed.

Sincerely,

James Taylor

James Taylor

PARTIALLY CONFIDENTIAL (Attachment Only)

Request IR – 5

Reference: OIC 2025-210, July 15, 2025.

"The Governor in Council on the report and recommendation of the Minister of Finance and Treasury Board and the Minister of Energy dated July 7, 2025, and pursuant to Section 27 of Schedule B of Chapter 2 of the Acts of 2024, the More Access to Energy Act and Sections 46 and 77 of Chapter 2 of the Acts of 2010, the Finance Act, is pleased to authorize the Minister of Finance and Treasury Board entering into a net debt obligation in the form of a guarantee and postponement of claim in favour of the Royal Bank of Canada, that will guarantee amounts owing to the Royal Bank of Canada by the Nova Scotia Independent Energy System Operator, up to a maximum aggregate principal amount of $170 million USD, on such terms and conditions as the Minister of Finance and Treasury Board may determine, and executing such agreements or other documents as may be required in connection with such guarantee and postponement of claim."

(a) Has the Minister of Finance and Treasury Board executed a guarantee and postponement of claim in favour of the Royal Bank of Canada? If not, was it requested by IESO-NS? If so, please provide a copy.

(b) Has IESO-NS sought financing and been refused by the Royal Bank of Canada notwithstanding the provincial guarantee? Please explain.

Response IR - 5

For clarification, the reference to the guarantee above is specifically with respect to the agreement with New Brunswick Power regarding the purchase of 100MW of energy related to NB Power's fast-acting generation project.

(a) Please refer to Attachment 1.

(b) Yes. The Royal Bank of Canada has indicated that it was unwilling to extend financing without the IESO establishing recovery of its revenue requirement. Please refer to IG IR-4 Attachment 1.

IESO-IG-RIR05
ATTACHMENT #1
Removed for
Confidentiality Purposes

Request IR - 6

Reference: N-1, Notice of Application, pdf p.3-4 asked that NSPI "begin paying, no later than April 1, 2026, monthly payments … with such payments being made effective February 1, 2026…" and N-1(i) pdf p.4 requests, "immediate remittance in March 2026, effective January 1, 2026…".

(a) Please confirm the intended first cash transfer date and whether retroactive payments are requested for January, February and March 2026.

(b) Where IESO-NS projects it will be unable to meet its liabilities as they become due in May 2026, why is it seeking retroactive payments?

Response IR - 6

Please note that the NSEB has approved IESO Nova Scotia's request for temporary financial relief by letter on February 25, 2026.

(a) Please refer to page 7 of IESO Nova Scotia's rebuttal submission of February 19, 2026.

(b) Please refer to pages 4-7 of IESO Nova Scotia's rebuttal submission of February 19, 2026.

Request IR – 7

Reference: N-1, Notice of Application, pdf p.3-4 requests approval of NS Power's recording, deferral and recovery of associated costs through its Fuel Adjustment Mechanism.

(a) Please explain IESO-NS's understanding of which customer classes are allocated FAM costs and the basis for that allocation.

(b) Please compare the customer classes who are allocated the FAM with the customer classes who receive the benefit of the system operator functions under the responsibility of the IESO-NS.

(c) Does IESO-NS acknowledge the potential class allocation issues that arise if IESO-NS's non-fuel administrative costs were to flow through the FAM? If so, please discuss how the IESO-NS proposes to address this, with as much specificity as possible, including with a numeric example.

(d) If IESO-NS does not acknowledge a potential class allocation issue, please explain.

(e) Please provide all supporting reasons why the FAM is the appropriate interim vehicle versus a separate IESO-NS rider.

(f) Please provide an analysis comparing FAM rider recovery versus a separate IESO-NS rider in terms of transparency, customer class allocation, volatility and rate design principles.

(g) How does IESO-NS intend to account for and allocate NSPI's carrying costs applied to FAM balances? Please calculate the incremental costs to ratepayers from NSPI earning

WACC on the Monthly Assessment amounts if the Monthly Assessment is approved retroactively as requested and continuing to March 2027.

Response IR - 7

(a-g) Please note that the NSEB has approved IESO Nova Scotia's request for temporary financial relief by letter on February 25, 2026. In that letter, the Board advised that costs related to fees paid to the IESO are not to be charged to the FAM. Instead, the NSEB allowed for NS Power to accrue the amounts in a separate deferral account, and to accrue interest at NS Power's weighted average cost of capital.

Please also refer to pages 8 – 9 of IESO Nova Scotia's rebuttal submission of February 19, 2026, and page 2 of IESO Nova Scotia's submission of February 23, 2026, which provided in part as follows, respectively:

> As noted earlier, it is the intention of IESO Nova Scotia to bring an application with respect to a permanent fee recovery mechanism in Q1 2026/27, for ultimate recovery of those amounts. Every effort will be made to ensure that the Board is in a position to

> order recovery of those deferred fees, from customers, in less than one year from the date they accrue to minimize costs for customers.[1]

And

> As noted in IESO Nova Scotia's Application and Rebuttal, a permanent cost recovery mechanism is expected to be submitted to the Board in Q2 2026, which will fully address or supersede any concerns regarding the current immediate temporary financial relief being sought, to the extent those issues are not already fully addressed in this proceeding. Any issues related to the associated temporary cost recovery mechanism may also be canvassed and reconciled to the permanent cost recovery mechanism as part of the future permanent cost recovery mechanism proceeding.[2]

Accordingly, the IESO respectfully suggests that incremental costs associated with NS Power's WACC may be calculated and reconciled via the permanent fee and cost recovery mechanism with the benefit of NS Power's input.

Please also refer to the response to NSEB IR-31part (a) and DGT IR-06.

[1] IESO Nova Scotia Rebuttal Submission, Re: M12412 — IESO Nova Scotia 2025/2026 Revenue Requirement Application, February 19, 2026, p.8-9.

[2] IESO Nova Scotia 2025-2026 Revenue Requirement Application (M12412), February 23, 2026, p. 2.

Request IR – 8

(a) Please provide a copy of all Transfer Orders issued under the More Access to Energy Act, including the date of publication and effective date.

(b) Please specifically list all stated objects and activities under the More Access to Energy Act, which are not yet in force and the expected timeline.

Response IR - 8

(a) There are no transfer orders at this time.

(b) According to the explanatory note after Section 106 of the More Access to Energy Act, sections 9(b)-(e), 75-85 and 94-104 are not yet proclaimed.

Sections 9 (b)-(e) are the objects of the IESO not yet in force:

(b) enter into agreements with transmitters giving the IESO the authority to direct the operations of their transmission systems;

(c) direct the operation of the IESO-controlled grid;

(d) establish and enforce criteria and standards relating to the reliability of the integrated electricity system;

(e) maintain the adequacy and reliability of the bulk electricity system

Sections 75-85 relate to Transmission and Ancillary services.

Sections 94-104 relate to Licenses.

IESO Nova Scotia is not aware at this time of the Province's intended timing for proclamation of those sections.

Request IR – 9

Reference: N-1(i) Exhibit A-1, pdf p. 3-4, acknowledges submissions from Board consultant Doane Grant Thornton (DGT) and stakeholders regarding the 2025/2026 application, but indicates IESO-NS was unable to address corresponding comments and recommendations in advance of the submission.

(a) Please confirm the deficiencies, as referenced, relate to the lack of documentation to confirm the accuracy of the financials forecasted and confirm whether similar deficiencies exist in this Application. If not, please explain.

(b) Is IESO-NS now able to address these concerns, including providing the minimum supporting evidence for all significant assumptions in the application, as was recommended by DGT in the Matter 12412, Exhibit N-10? If not, why not? If so, please provide formal quotes, vendor proposals, and written estimates that support each cost category in the 2026/2027 revenue requirement.

(c) For any costs not supported by formal quotes, or proposals please provide all market data, correspondence from informal discussions, and methodologies used to support the estimates included in the 2026/2027 revenue requirement application.

(d) Please provide supporting documentation for the noted insurance products and expenses identified by DGT as lacking adequate support in the 2025/2026 proceeding. If not available, please explain.

Response IR - 9

(a) The reference noted by the IG above provides as follows:

> IESO Nova Scotia also acknowledges the submission of Board Counsel consultant Doane Grant Thornton (DGT), as well as submissions from the Industrial Group, Small Business Advocate, and Consumer Advocate, regarding IESO Nova Scotia's 2025/2026 application. Given the lead-time to prepare this Application, and the timing of Board consultant and stakeholder submissions, IESO Nova Scotia was unable to address corresponding comments and recommendation in advance of the submission of this Application. However, IESO Nova Scotia is actively considering those comments for implementation in future revenue requirement and fee applications in the event the Board directs IESO Nova Scotia to adopt them.[1]

IESO Nova Scotia does not believe the inability to address the referenced comments and recommendations represent material deficiencies for the purpose of reviewing and approving its revenue requirement application. Indeed, notwithstanding DGT's recommendations, DGT identified no unreasonable cost categories or methodological flaws in IESO Nova Scotia's approach, the IG did not oppose the 2025/2026 revenue requirement, and the NSEB approved the IESO's 2025/2026 revenue requirement with direction. Nevertheless, IESO Nova Scotia reiterates that it continues to prepare for

[1] IESO Nova Scotia 2026/2027 Revenue Requirement Application (M12663), January 20, 2026, Exhibit A-1; p3-4.

adopting and addressing those evidentiary recommendations to further substantiate its revenue requirement forecasts for future applications, and has been directed to do so in the NSEB's recent Decision regarding the IESO's 2025/2026 revenue requirement application (M12412).

(b) Please refer to part (a). Additional information has been provided throughout the various IR responses on several significant budgeting assumptions. The IESO notes DGT's recommendations and corresponding NSEB's Decision direction regarding IESO Nova Scotia's 2025/2026 Revenue Requirement application (M12412), which provided guidance on the evidentiary standards. DGT's submission in M12412 provided in part as follows:

> It is recommended that for future filings the NSIESO should at minimum include supporting evidence for all significant assumptions in their application;[2]

and

> The filing requirements for future applications should require the NSIESO to produce formal support for all significant budget items such as quotes, any

2 Doane Grant Thorton Submission re: M12412 – Nova Scotia Independent Energy System Operator Application for Approval of its Proposed Expenditure and Revenue Requirement for the Test Year Ending March 31, 2016, October 28, 2025, p. 31.

> referenced market information, correspondence from discussions surrounding estimates, etc.[3][4]

The Board went on to direct as follows:

> The Board directs that all future revenue requirement applications include:
>
> • Formal support for all significant assumptions and expenditures in the application, such as quotes, any referenced market information, correspondence from discussions surrounding estimates, market data supporting employee compensation, etc.;[5]

The IESO's most significant cost category is related to salaries and wages ("Employees (Administration) and Operations (System Planning) totaling approximately $8.08M of the total $14.85M OM&A revenue requirement). Please refer to CA IR-6 part (c) regarding the IESO's salaries and wages expenses, and the rationale regarding the budgeting integrity of those items. With respect to the administration employees salaries and wages, please also refer to IG IR-15, DGT IR-10, and CA IR-7(c)(d)(e), for example, for further support.

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[3] Doane Grant Thorton Submission re: M12412 – Nova Scotia Independent Energy System Operator Application for Approval of its Proposed Expenditure and Revenue Requirement for the Test Year Ending March 31, 2016, January 20, p. 3.

[4] Doane Grant Thorton Submission re: M12412 – Nova Scotia Independent Energy System Operator Application for Approval of its Proposed Expenditure and Revenue Requirement for the Test Year Ending March 31, 2016, January 20, p. 31.

[5] Nova Scotia Energy Board re: M12412 - Nova Scotia Independent Energy System Operator Application for Approval of its Proposed Expenditure and Revenue Requirement for the Test Year Ending March 31, 2016, January 20, p. 22.

The second most significant cost category is Phase II Transitional Costs at approximately $1.77M. Consulting services underpin much of this cost category. Please refer to DGT IR-20, NSEB IR-23, and PHP IR-12 for additional support regarding the rationale for the budgets for various consulting services for Phase II.

The third most significant cost category is Facilities and Technology at approximately $1.56M. CA IR-6 part (c)(iii) and (d)(i)(v) provides rationale regarding the IESO's facilities and technology budgets. Please also refer to DGT IR-14, CA IR-7 part (i), IG IR-22, and PHP IR-10.

(c) Please refer to part (b).

(d) Please refer to Attachment 1 for the General Liability Insurance Policy.
Please refer to Attachment 2 for the Errors & Omissions Insurance Policy.
Please refer to Attachment 3 for the Directors & Officers Insurance Policy.
Please refer to Attachment 4 for the Cyber Security Insurance Policy.

IESO-IG-RIR09
ATTACHMENTS #1 to #4
Removed for
Confidentiality Purposes

Request IR – 10

Reference: N-1(i) Exhibits A-1 and B-2 in multiple places describe phase transfer and evolving scope with duplication risks while NSPI retains functions.

(a) Have the IESO-NS and NSPI prepared a transition term sheet with milestones, decommissioning dates, data handover etc.? If so, please provide. If not, on what basis can the Board and ratepayers be confident of the transition and avoidance (or minimization) of cost duplication?

Response IR – 10

(a) Exhibits A-1 and B-2 do not identify duplication risks between IESO Nova Scotia and Nova Scotia Power. While there is no commercial term sheet per se, the Mo*re Access to Energy Act* establishes the statutory framework, timelines, and responsibilities governing the transition of functions, and IESO Nova Scotia is proceeding in accordance with those legislative entitlements and obligations.

Generally, IESO Nova Scotia's role in the transition is to assume the functions assigned to it under the Act. IESO Nova Scotia, in doing the same, strives to do so in a manner that is efficient, coordinated, and cost-effective for customers. To support this work, IESO Nova Scotia and NS Power have established a Joint Transition Committee to facilitate the necessary operational coordination associated with the transition. Where appropriate, IESO Nova Scotia may enter into agreements with NS Power to protect its interests, and those indirect interests of customers.

IESO Nova Scotia cannot comment on NS Power's internal financial decisions or how NS Power elects to manage its own costs as functions are transferred. From IESO Nova Scotia's perspective, the governing legislation, defined transition responsibilities, and structured coordination processes generally provide a clear and orderly pathway for the transition of duties. These measures support the avoidance or minimization of duplication within the scope of IESO Nova Scotia's responsibilities.

Request IR - 11

Reference: N1(i), Exhibit A-1, pdf p.4-5 and Exhibit B-3, pdf p.33-35 state that Phase II timing is "aspirational Q2 2027" and that costs are not fully scoped and may be trued up later.

(a) Please provide the IESO's staged plan for facilities, staffing, training, tools, NERC standards, with planned dates and financial dates including any maximum spending per stage.

(b) Please specify when the relative NSPI cost centres will be terminated or decommissioned relative to IESO-NS's plan.

Response IR – 11

(a) - (b)

IESO Nova Scotia and NS Power are still in the very early stages of planning related to Phase II transition of responsibilities regarding real-time dispatch and operation of the bulk power system. As such, a detailed staged plan as described by the IG is not yet available. IESO Nova Scotia expects that NS Power costs related to functions assumed by IESO Nova Scotia will cease upon the effective date of transfer of those responsibilities. IESO Nova Scotia is not able to provide a listing of affected NS Power cost centres from their financial system as it does not have this information.

Request IR - 12

At N-1(i) Exhibit A-1, pdf p. 6, IESO-NS states that actual expenditures for fiscal year 2025/2026 are "materially tracking" against its proposed 2025/2026 Revenue Requirement.

(a) Please explain this modifier quantitatively and explain any anticipated variances.

Response IR - 12

(a) Please see the response to NSEB IR-07.

NON-CONFIDENTIAL

Request IR - 13

Reference: N-1(i), Exhibit A-1, pdf p. 8, lines 21-24, discusses concluding the RFP for fast-acting generation and a procurement process for additional capacity.

(a) What is the timeline for these procurements?

(b) Please discuss in detail the process to secure cost-recovery for these procurements, including ratepayer involvement. Is Board-approval of the prudence of these procurements or of these tolling agreements/power purchase agreements required? What is the anticipated timeline?

Response IR - 13

(a) At this time, IESO Nova Scotia expects to release the Fast Acting Generation RFP in Q1 2026/2027. In anticipates being able to announce award(s) for the Fast Acting Generation RFP in Summer (Q2 2026/2027). Please refer to NSEB IR-16 part (a) with respect to additional capacity.

(b) Section 30 of the *More Access to Energy Ac*t provides guidance, which provides as follows:

> 30 (1) The IESO shall apply to the Energy Board for the recovery of costs for energy resource supply contracts, and any costs incurred by the IESO for the administration of those contracts, respecting settlements or payments under

> contracts for energy resources obtained through procurement activities or through reassignments of existing energy supply agreements from NSPI.
>
> (2) The Energy Board shall establish a mechanism to recover the costs referred to in subsection (1) from ratepayers, and the public utilities connected to the IESO grid shall collect these amounts and remit them to the IESO.

Notwithstanding the above contemplated role of the NSEB appearing expressly limited to the areas of cost recovery, IESO Nova Scotia is exploring ways to provide the NSEB, and interested parties, an opportunity for greater input and review of procurement-related activity in an efficient but meaningful manner. Accordingly, the specifics of the regulatory pathways for the costs described above are currently being considered for future determination. At this time, IESO Nova Scotia envisions a process that would involve seeking NSEB approval of the template form of agreement forming the basis of the eventual definitive agreement arising from award of the fast acting generation RFP. At this time, we expect this to occur in likely the Q1 of 2026/2027.

Request IR - 14

Reference: IESO-NS Public Notice, Feb 02, 2026 – IESO Nova Scotia takes next step to secure important additional capacity for grid.

(a) Are the costs to negotiate the term sheet with NB Power "that secures Nova Scotia the option to contract 100 megawatts of fast-acting generation capacity from a new facility planned for Centre Village, New Brunswick" and enter into a final agreement (assuming it is approved by the NBEUB) reflected in this Revenue Requirement? If not, please provide particulars of the incremental costs to do so.

(b) Is this capacity subject to a Board-approval process? Please explain.

(c) On what basis will the costs to procure this additional capacity be allocated and paid?

Response IR - 14

(a) Yes. See Exhibit B-2 page 23 Table 10. This initiative is shown as the Capacity Contract line with proposed budget of $0.07M for 2026/2027.

(b) Please refer to Section 30 of the *More Access to Energy Act* and IG IR-13.

(c) The costs to procure have been included in both the 25/26 and 26/27 Revenue Requirement Applications. With respect to the recovery of costs of energy and capacity, please refer to IG IR-13.

Request IR - 15

Reference: N-1(i), Exhibit B-2, pdf p.13-15 states that 23 administration employees are assumed for the year, compensation targets the 50th percentile, and the fringe load factor is 15% (up from 14.75%).

(a) Provide the position-by-position listing for the 23 administration FTEs, including title, band, base, incentive assumptions, benefits, start date, vacancy factor.

(b) Please provide the market survey information supporting the 50th percentile placements and explain how Atlantic-Canada comparators were normalized for organization size, mandate and specialized ISO skill sets.

Response IR - 15

(a) Please refer to the response to NSEB IR-11 for categorical function budgets, number of positions, and vacancies. IESO Nova Scotia is concerned that given the size of the IESO Nova Scotia, and the number of the positions that comprise the dataset requested, that the information could be revealing as to the exact compensation of staff. That said, IESO Nova Scotia recognizes the desire to see compensation related information and has therefore provided more anonymized data for the purposes of demonstrating prudency without revealing personal information.

(b) Please refer to the 2025/2026 Revenue Requirement Application NSEB IR-14 which provided as follows:

> The compensation philosophy and structure for the NSIESO will target the 50th percentile of the market for the roles required to be attracted and retained in Atlantic Canada. The initial estimates provided were based on scans of recruitment sites scans for similar roles within Atlantic Canada within similar size organization. These sites included Career Beacon, LinkedIn, Zip Recruiter, and Indeed, based on a point of time of open positions posted. Market information is being received, by HUB International for the three (3) senior leadership roles, and from the KBRS recruiters for the administrative roles based on comparisons with other searches of similar roles and inclusive of candidate expectations throughout the recruitment processes. A summary of compensation expectations based on the search process for qualified candidates will be provided to the search for the President & CEO of NSIESO. Please refer to Response to DGT-IR7 to see the information on peer comparison and market information for the CEO role.[1]

The same methodology and information was used for the 2026/2027 Revenue Requirement and Fees Application. In their evidence regarding the IESO's 2025/2026 Revenue Requirement application, with respect to benchmarking administration salary and wages, while Doane Grant Thornton noted it was unable to comment on underlying benchmarking data based on this approach, it nevertheless provided, in part, the following:

> Nothing has come to our attention to suggest that the proposed salaries and wages are unreasonable;
>
> • As a percentage of total expenses, the proposed budgeted salaries and wages appear to be slightly on the lower end but are relatively aligned with salary costs incurred by comparable organizations across Canada;

[1] NSEB IR-14, IESO Nova Scotia 2025/2026 Revenue Requirement Application (M12412), October 7, 2025.

- Based on our knowledge of typical compensation within the industry as well as general wage ranges published on common recruitments sites for similar roles, the proposed base salaries and 50th percentile benchmark appear reasonable. Adopting a 50th percentile benchmark avoids incurring salary costs at the top of the market range and is therefore aligned with the industry's guiding principle of cost effectiveness;
- The assumed fringe rate is relatively aligned with fringe rates we have seen implemented across similar utilities and organizations;
- The assumed annual Canada Pension Plan ("CPP") and Employment Insurance ("EI") contributions appear to be reasonable in comparison to current Canada Revenue Agency ("CRA") maximum contribution amounts;[2]

In its Decision regarding the 2025/2026 Revenue Requirement Application (M12412) received February 25, 2026, the NSEB provided as follows:

The Board finds Doane Grant Thornton's review to be comprehensive and agrees that based on its analysis the expense categories and amounts appear reasonable. The Board also agrees that appropriate support for all expense amounts must be provided in all future filings.

With respect to support for all expense amounts in future filings, the Board went on to direct that "future revenue requirement applications include" in part the following:

[2] Doane Grant Thorton Submission re: M12412 – Nova Scotia Independent Energy System Operator Application for Approval of its Proposed Expenditure and Revenue Requirement for the Test Year Ending March 31, 2016, October 28, 2025, p. 4 and 36.

> Formal support for all significant assumptions and expenditures in the application, such as quotes, any referenced market information, correspondence from discussions surrounding estimates, market data supporting employee compensation, etc.;[3]

As noted by the IESO, it is actively engaged in consideration of the Board's direction on minimum filing evidentiary standards, and will provide this information in future applications. With respect to the administration employees cost category specifically, IESO Nova Scotia expects that it will have a third part compensation firm provide an expert opinion on the reasonableness of these costs.

[3] Nova Scotia Energy Board re: M12412 - Nova Scotia Independent Energy System Operator Application for Approval of its Proposed Expenditure and Revenue Requirement for the Test Year Ending March 31, 2016, January 29, 2026, p. 22.

Request IR - 16

Reference: N-1(i), Exhibit B-2, pdf p.15-16 and p.32-33 which compares 2025/26 annualized to 2026/27 for administrative and operations categories.

(a) Please reconcile the 23 administrative and 21 technical FTEs to the organizational chart referenced in the prior proceeding (M12412) and identify any changes in role counts or scope.

(b) Please identify any roles that were expected in 2025/26 but were not transferred/hired or were re-scoped for 2026/27 and quantify the variance impact.

Response IR - 16

(a) The organization chart provided in NSEB IR-13 Attachment 1 in M12412 provided a forecast of employees as at March 31, 2026, and included 44 positions including the CEO. In the current Application, a total of 44 positions are included. Please also refer to NSEB IR-4.

(b) Please refer to part (a).

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Request IR - 17

Reference: N-1(i), Exhibit B-2, pdf p.16-18 (Corporate Administration) notes office costs increase to ~$0.10 million and website development is now treated as capital; and N-1(i), Exhibit B-2, pdf p.25-26 moves some technology items to capital (employee hardware/software).

(a) Please provide IESO-NS's capitalization policy governing the reclassification of technology/website spend and reconcile any operating expense to capital expense shifts between 2025/26 and 2026/27.

Response IR - 17

(a) Please refer to Attachment 1 for the draft IESO Nova Scotia capitalization policy.

Regarding a reconciliation of operating expense to capital expense between 2025/26 and 2026/2027, IESO Nova Scotia has recorded capital purchases in accordance with the attached policy in the 2025/2026 fiscal year. As such, there is no reconciliation between the current fiscal year and upcoming budget year of 2026/2027. Capital assets that have been recorded as of December 31, 2025 are listed below:

Computer Hardware	$665,567
Furniture and Fixtures	$6,461
Leasehold Improvements	$21,249
Website development	$10,000

Capitalization Policy - Property, plant and equipment

1. Purpose
The purpose of this policy is to establish consistent criteria for the capitalization, depreciation, and disposal of Property, Plant and Equipment (PP&E) in accordance with the IESO Nova Scotia accounting framework.

2. Definition of PP&E
Property, Plant and Equipment are tangible assets that are held by IESO Nova Scotia for use in its operations, or for administrative purposes. These assets are not intended for resale in the ordinary course of business; and are expected to have a useful life greater than one fiscal year. Examples of PP&E held by IESO Nova Scotia include leasehold improvements, computer hardware and furniture and fixtures.

3. Capitalization Threshold
To be capitalized, an item must have a useful life greater than one year and a cost that exceeds $2,500 per unit. Individual items below the threshold shall be expensed as incurred. Group purchases of assets that individually are below the threshold may be capitalized.

4. Measurement and Useful Life
Property, plant and equipment are recorded at cost less accumulated depreciation. Cost includes the purchase price, plus any additional costs directly attributable to the construction of the asset and preparing the asset for its intended use. Such costs may include materials, payroll, consulting resources, borrowing costs incurred during construction for qualifying assets and asset retirement costs.

Maintenance and repair costs which do not enhance or extend the useful life of the asset are expensed as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. No depreciation is provided on assets under construction. The expected useful lives, depreciation method and residual values of the assets are reviewed annually, with any changes accounted for on a prospective basis. Depreciation periods for property, plant and equipment are shown in the following table.

Computer Hardware and Audio Visual	Straight line 5 years
Furniture and Fixtures	Straight line 10 years
Leasehold Improvements	Straight line 10 years

Property, plant and equipment are retired when they are fully depreciated and derecognized when no future benefits are expected to arise from their use.

5. Capitalization Policy – Intangible Assets

Intangible assets are recorded at cost less accumulated amortization. Cost includes the purchase price, plus any additional costs directly attributable to the development of the asset and preparing the asset for its intended use. Such costs include payroll, consulting resources and borrowing costs incurred during the development of qualifying assets.

Maintenance and repair costs that do not enhance or extend the useful life of the asset are expensed as incurred.

Costs related to cloud computing software are expensed as incurred.

Amortization is calculated on a straight-line basis over the estimated useful lives of the assets. No amortization is provided on intangible assets under development. The expected useful lives, amortization method and residual values of the assets are reviewed annually, with any changes accounted for on a prospective basis. Amortization periods for intangible assets are shown in the following table.

External website	3 years
Perpetual software licenses	5 years

Intangible assets are retired when they are fully amortized and derecognized when no future benefits are expected to arise from their use.

Request IR - 18

Reference: N-1(i), Exhibit B-2, pdf p.19-21 Budgets $1.15 million total, split $0.55 million "Regulatory Proceedings & Assessments" and $0.60 million "Legal and Compliance".

(a) Please provide a matter-by-matter breakdown of regulatory proceedings and legal & compliance. Identify whether these are internal or external resources.

(b) Identify functions historically performed by NSPI legal/regulatory that are now in IESO-NS's scope and specify the date that these costs are terminated on the NSPI side to avoid duplication.

Response IR - 18

(a) Please refer to the response to DGT IR-12(a) and (c) for budget methodology and assumptions for this cost category.

(b) Please refer to DGT IR-12(c) for functions historically performed by NS Power legal/regulatory. Those functions are now responsibility of IESO Nova Scotia. The IESO cannot comment on whether those costs are terminated at NS Power.

Request IR - 19

Reference: N-1(i), Exhibit B-2, pdf p.21-23 indicates procurement OPEX is expected to be reimbursed by successful proponents but until reimbursement is received, costs are included in the budget and will be trued up via the DVM.

(a) Please file the standard RFP clauses that ensure reimbursement of these costs.

(b) Confirm the timing of reimbursement (e.g., at award, financial close, commercial operation date or otherwise) and identify what credit assurances are required from proponents to ensure reimbursement is received.

(c) In what scenarios would reimbursement not be obtained and, in such scenarios, what portion would be excluded from rate recovery versus included in the DVM?

Response IR - 19

(a) Section 2.1(d)(vi) of the draft RFP states the following:

> The Selected Proponent will be required to assume the Project Site(s) associated with its Selected Proposal by entering into a lease agreement with IESO Nova Scotia (the "Lease"), the form of which is provided in APPENDIX D. The Tolling Agreement includes the process by which the Generator will reimburse all pre-development costs incurred by IESO Nova Scotia with a Closing Payment and also requires the Generator to assume responsibility to complete all necessary permits and approvals to construct,

> commission, and operate the Facility. For clarity, the Selected Proponent shall assume water quality and quantity supply risk with any emissions abatement technologies proposed to satisfy the Functional Specifications. The Proposal Package Information includes a summary of all desktop and field work, permitting applications, community and First Nation Community engagements performed by IESO Nova Scotia or its representatives."

(b) Reimbursement is required upon execution of the agreement; this timing was chosen to address and mitigate payment risk.

(c) Reimbursement would not be obtained if IESO Nova Scotia does not execute a Tolling Agreement for fast-acting capacity with a counterparty selected under the current RFP. The IESO submits that costs included or excluded under this scenario would be reviewed as part of a future true-up via the DVM.

Request IR - 20

Reference: N-1(i), Exhibit B-2, pdf p.21-24 (Procurement) and Table 10 include footnotes noting renamings/roll ups from the 2025/26 Application (e.g., “other capacity contract”; 300 MW RFP consolidation).

(a) Please reconcile the 2025/26 category/labels to the 2026/27 categories, with dollar movements and reasons, to allow year-over-year comparisons.

Response IR – 20

(a)

2025-2026 Nomenclature	2026-2027 Nomenclature	2025/2026 Budget per 2025-2026 Revenue Application	2025/2026 Budget per 2026-2027 Revenue Application	2026/2027 Proposed Budget ($) (Millions) (B)
Procurement	**Procurement**	**$0.99M**	**$0.99M**	$0.89M
Procurement and Project Management (50%)	Procurement Department Contractors	0.19M	0.19M	$0.07M
300MW RFP	300MW RFP	0.36M	0.36M	$0.22M
Other Capacity Contract Opportunities	Capacity Contract	0.43M	0.44M	$0.12M
N/A		N/A	0.00M	$0.48M

	Additional Capacity Procurement			

The reason for the change in amount of the "Other Capacity Contracts/Capacity Contracts" line in the 2026-2027 revenue application is to correct a rounding error in the 2025-2026 revenue application.

Request IR - 21

Reference: N-1(i), Exhibit B-2, pdf p.23-24, Table 10, compares 2025/26 versus 2026/27 procurement costs, including a reduction in the 300 MW RFP line and addition of a new Additional Capacity Procurement of $0.48 million.

(a) Please explain the shift from 300 MW RFP expenditures to "additional capacity procurement" with a timeline showing milestones, spend to date and forecast to complete.

(b) Confirm whether any external consultant scopes continue into 2026/27 for the 300 MW RFP post-award.

Response IR - 21

(a) The shift in budgeted expenditures for 2026/27 generally corresponds to the completion of the fast acting generation RFP (the 300MW RFP line) following its anticipated award in Summer 2026, and the launch of the additional capacity RFP as described below.

With regards to forecasts to complete procurement activities, see DGT IR-13(b) and (c). Spend to date is tracking on budget as submitted in M12412. Total procurement costs at December 31, 2025 are $0.58M.

With regards to the additional capacity RFP, please refer to NSEB IR-16(a) for the anticipated timing of the launch of that process. Beyond indicative launch timing, schedule milestones have not yet been developed for this procurement process. There has been no spend to date on the additional capacity procurement.

(b) Confirmed, please refer to DGT IR-13(b).

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Request IR - 22

Reference: N-1(i), Exhibit B-2, pdf p.24-26, Table 11, shows IT application software $0.89 million and managed IT services $0.21 million and states this is needed for Phase I and foundation for Phase II.

(a) Provide a line-inventory of software (product name, function, price, term/renewal, termination rights) and services scope.

(b) Identify which licences/services are duplicative of NSPI's during the transition.

(c) Does the IESO-NS have a plan to eliminate duplication with effective dates and expected cost step-downs at control-room cut-over? If so, please file or at minimum, describe.

(d) If Phase II slips beyond Q2 2027, which subscriptions may be deferred or paused? Please quantify monthly savings under a six-month and 12-month delay.

Response IR - 22

(a) The following table provides a line-inventory of the software, all of which are required to complete IESO-NS' accountabilities under Phase I of the transition:

Product Name	Function	SW Cost	Term/Renewal	Services Scope
PLEXOS	Resource Planning	[redacted]	3 Yr Subscription	Grid Planning
PSSE	Transmission Planning Studies	[redacted]	3 Yr Subscription	Grid Planning

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PSCAD	Grid Modeling for EMT effects	[redacted]	One-time purchase plus annual SW support	Grid Planning
Aspen OneLiner	Short Circuit and Relay Coordination	[redacted]	One-time purchase plus annual SW support	Grid Planning
Subtotal		**$792,130**		
	Office Productivity SW	[redacted]	Annual Subscription	General Admin
	Cloud Hosting Services	[redacted]	Usage Based	General Admin
	Misc SW Unplanned	[redacted]		General Admin
Total		[redacted]		

(b) Following the Phase I transition, IESO Nova Scotia understands that NS Power will still require the use of the PSSE, PSCAD, and Aspen OneLiner to allow them to perform their System Operator functions supporting real-time operations. IESO Nova Scotia understands that NS Power will still require the use of PLEXOS to perform their Energy and Risk Management functions.

(c) The current Phase II planning initiative is expected to inform IESO Nova Scotia on what software and systems are required by IESO Nova Scotia.

(d) All of the software described in part a) is required for IESO Nova Scotia to perform its Phase I functions of Transmission Planning and Resource Planning. Accordingly, a change in the timeline for the Phase II transition will have no impact on the need for these software tools or their associated costs.

Request IR - 23

Reference: N-1(i), Exhibit B-2, pdf p.24-26 notes a 10-year lease for ~8,900 square feet at 1791 Barrington Street commencing January 1, 2026, and notes control-room planning costs from the prior year are complete/not included for 2026/2027.

(a) Please confirm whether the control room will be located in this space or elsewhere. If elsewhere, what is the expected capital investment or leasing costs and what is the timing for Board review of these costs?

Response IR - 23

(a) Please refer to the response to PHP IR-14 (f).

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Request IR - 24

Reference: N-1(i), Exhibit B-2, pdf p.27-29 (Tables 13 and 14), forecast $0.58 million financing costs on a $10 million provincial operating line at prime (4.5% plus 0.5%) with an assumption that the entire $10 million is advanced for all of 2026/2027.

(a) Please confirm the actual amount drawn down on the provincial line of credit to date and the actual interest rate being charged.

(b) Provide daily balance assumptions and rate forecasts underlying the $0.58 million.

(c) Provide a draw profile aligned with actual cash needs rather than a full-year, full-draw assumption.

(d) Provide a scenario in which a temporary IESO-NS rider (or earlier permanent rider) commences on September 1, 2026, and show the reduced interest costs relative to the proposed FAM approach.

(e) Confirm whether any restricted cash or grant funds are available to offset borrowing. If so, reconcile to the FY 26/27 plan.

Response IR - 24

(a) At March 5, 2026, $6.02 million is drawn on the provincial line of credit.

[redacted]

[redacted]

(b) Please refer to DGT IR-16 part (c). The daily balance assumption supporting the $0.58M was that the full $10M is drawn for all 365 days of the fiscal year at a rate of 5%, equaling $0.50M. The additional $0.08M of the $0.58M is related to interest costs of a future additional loan secured after NSEB approval of fee recovery by the IESO, in the event it was required to secure sufficient cash flow for IESO operations.

(c) Please refer to the IESO's reply submission of February 19, 2026. As noted on page 5, "Financing documents were executed on December 2, 2025, with an initial draw of $2 million on December 5, 2025. The planned draw schedule contemplated $2.0 million in December, $2.0 million in January, $2.5 million in February, $2.0 million in March, and $1.5 million in April, with the LOC expected to sustain operations only through April, 2026."[1]

[1] IESO Nova Scotia Rebuttal Submission, Re: M12412 — IESO Nova Scotia 2025/2026 Revenue Requirement Application, February 19, 2026, p.5.

(d) Please note that the NSEB has approved IESO Nova Scotia's request for temporary financial relief by letter on February 25, 2026. In that letter, the Board advised that costs related to fees paid to the IESO are not to be charged to the FAM. Instead, the NSEB allowed for NS Power to accrue the amounts in a separate deferral account, and to accrue interest at NS Power's weighted average cost of capital. A reduced interest cost comparison cannot be completed as it is unknown whether a temporary IESO Nova Scotia rider would have interest rates lower or higher than NS Power's WACC.

(e) The IESO is not aware of any restricted cash or grant funds available to it.

Request IR - 25

Reference: N-1(i), Exhibit B-2, pdf p.30-32 Budgets $1.0 million IRP consulting while adding internal planning FTEs; and Exhibit A-1, pdf p.6-8 describes IRP and consultant selection.

(a) Please explain why $1 million in external IRP consulting remains necessary given the increased internal staffing.

Response IR - 25

(a) Consistent with past IRP processes, it is expected that consulting support will be required during the IRP. To date, IESO Nova Scotia has committed to one consulting engagement, the Effective Load Carrying Capacity (ELCC) study, which is being cost shared with NS Power, with a contract that extends into the 2026/2027 fiscal year. The exact need for additional consulting support will depend on the recommendations from the IRP process review and input from stakeholders during the initial stages of the IRP when the terms of reference and modeling scenarios are developed.

Request IR - 26

Reference: N-1(i), Exhibit B-2, pdf p.30-32 (Table 15) Budgets Operations (System Planning) of $3.6 million with Salaries & Wages at $3.71 million, Third-Party Recoveries at $(1.07) million for interconnection studies and IRP Consulting at $1 million.

(a) Please provide the basis for interconnection study recoveries (i.e. labour rates, overheads, and escalation, allocated to Feasibility versus SIS) and reconcile to the $(1.07) million forecast.

(b) Provide the assumed study volumes/hours (by study type) and a sensitivity of +/- 25% volumes.

(c) Explain how and when study work formerly done by NSPI will cease or transfer to avoid double-charging.

(d) What confidence can ratepayers have that there will be no duplication effective on a specific date? e.g., is this documented? If so, please provide.

Response IR - 26

(a) Estimated recoveries for interconnection studies were based on the study deposit amounts in the Generation Interconnection Procedures. These study deposits are intended to cover the cost of a typical study. The breakdown between Feasibility and System Impact Studies within the estimate is shown below in part b).

(b) The forecast for interconnection study cost recoveries is based on anticipated interconnection study demand in the 2026/2027 fiscal year. There is a potential degree of variability in the study volume as Feasibility studies can come in at any time and a System Impact Study can have material changes right up to a project's in-service date which may trigger additional study. The study volumes presented below align to the forecast:

Study Type	Estimated Number of Studies	GIP Deposit Amount	Total	Notes	Representative Projects Anticipated 2026/27
Feasibility Study	21	$ 15,000	$ 315,000		Green Choice 2 Procurement (9); Additional Capacity Procurement (9); Miscellaneous Study Requests (3)
System Impact Study	6	$ 125,000	$ 750,000	Deposit amount based on 50% >150MW, 50% 50-150MW	Green Choice Wind (2), Fast Acting Generation (2), Other Wind (2)
Grand Total			$ 1,065,000		

Because the studies are recovered at actual cost, an increase or decrease in study volume of 25% would be anticipated to result in a corresponding 25% increase or decrease to the assumed $1.07 million of interconnection study cost recoveries during the fiscal year.

(c) As of December 1, when employees transferred from NS Power to IESO Nova Scotia, the functionality transferred over from NS Power to the IESO with transferred employees and, therefore, there is no duplicative effort for interconnection studies and IRP Consulting.

(d) As outlined in (c), there is no duplicative effort for interconnection studies and IRP Consulting as of December 1, 2025. The studies teams responsible for the completion of interconnection studies and the IRP transferred to the IESO on Dec 1, 2025.

Request IR - 27

Reference: N-1(i), Exhibit B-3, pdf p.34-35 Budgets Compliance Preparedness & Assurance that $0.34 million and references NERC readiness efforts.

(a) Please provide particulars of the work and deliverables for NERC compliance consultant and Phase II readiness assurance.

(b) What, if any, overlap is there with NSPI's ongoing reliability compliance activities?

Response IR - 27

(a) The detailed scoping of the work and deliverables for the NERC compliance consultant and Phase II readiness assurance work has not yet been completed. This will be developed in 2026/27 to support the overall Phase II transition work and timeline.

(b) There is not expected to be overlap in reliability compliance activities between NS Power and IESO Nova Scotia. Reliability compliance activities will follow from NS Power and the IESO registration changes at NERC related to the Phase II transition; for instance, IESO Nova Scotia is expected to register as a Balancing Authority and Transmission Operator and NS Power would de-register from functions with the same effective date. Changes in reliability compliance activities between NS Power and IESO Nova Scotia are expected to be coordinated as part of the Phase II transition activities to provide coverage of applicable reliability compliance requirements.

Request IR - 28

Reference: N-1(i), Exhibit B-3, pdf p.36-37, Table 2, shows PMO down from $1.29 million (annualized) to $0.57 million, SME up from $0.12 million to $0.86 million and compliance down from $0.44 million to $0.34 million.

(a) Please reconcile these changes. Identify items completed in 2025/26 versus new 2026/27 scopes.

(b) Please confirm whether any 2025/26 transitional scopes slipped into 2026/2027, quantify the carry-forward and explain why they remain "transition" versus ongoing OM&A.

Response IR - 28

(a) Please refer to the response to DGT IR-22 for the decrease in the 2026/2027 budget for Compliance Preparedness and Assurance.

The increase in SME costs from $0.12 million to $0.86 million is attributable to the shift toward detailed Phase II readiness and transition planning in 2026/2027. In 2025/2026, SME support was focused primarily on supporting Phase I readiness and transition planning. In contrast, the 2026/2027 budget reflects two defined Phase II workstreams requiring specialized expertise: operational readiness and preparedness advisory support associated with the transfer of real-time dispatch accountability, including control room readiness, cutover planning, testing, and assurance activities; and advisory support to assess potential adjustments to electricity market arrangements and rules as IESO Nova Scotia assumes dispatch and control responsibilities. These activities require specialized technical, operational, and market design expertise that is not yet fully embedded within the internal organization.

The PMO's annualized cost has decreased from $1.29 million to $0.57 million due to the successful hiring of internal staff. Previously, the PMO was covering key operational roles on an interim basis until those positions were filled internally. The PMO will continue to conduct program management, project management and change management support.

(b) Please refer to the NSEB IR-05 part (a).

Request IR - 29

Reference: N-1(i), Exhibit C-1, pdf p.37-39 proposes a permanent Net Revenue Requirement Deferral and Variance Mechanism ("DVM") with a simplified annual calculation and potential inclusion of capital and procurement categories in future.

(a) Please confirm whether IESO-NS intends to or would agree to maintain separate sub-accounts for (i) core OM&A; (ii) transitional/Phase II; (iii) Board assessment; (iv) procurement activities (net of proponent reimbursements); and (v) any capital category (if ever included). If there are other sub-accounts, please specify.

(b) Please confirm whether IESO-NS agrees to annual caps for transitional/Phase II and procurement sub-accounts and if so, propose such a cap by sub-account. If not, why not?

(c) Please confirm whether IESO-NS would agree to make DVM eligibility for transitional/Phase II sub-accounts contingent on a filed certification by both IESO-NS and NSPI that no duplicate costs were incurred beyond agreed milestones. If not, please explain.

(d) Please confirm the carrying cost rate and settlement timing and provide a template of IESO-NS's quarterly reporting with variance drivers.

(e) Please confirm that capital will not be included in the NRR-DVM absent a separate capital cost approval.

Response IR - 29

(a) IESO Nova Scotia is amenable to maintaining separate sub-accounts for variance tracking purposes.

(b) Please refer to NSEB IR-28 regarding the Board's recent approval of the Net OM&A Deferral and Variance Account and corresponding NSEB direction.

(c) Please refer to part (b) and IG IR-10. While IESO Nova Scotia supports controls to eliminate risk of duplication of costs, it does not believe a filed certification is required to further evidence no duplication of costs.

(d) Please refer to NSEB IR-28.

(e) Whereas IESO Nova Scotia believes, at this time, it is not a public utility under the Public Utilities Act, the IESO would not be required to seek separate pre-approval of capital expenditures outside of the general NSEB approval of revenue requirement costs, which would include capital, as part of the *More Access to Energy Act* requirement to submit an annual revenue requirement application for review and approval to the NSEB. Insofar as capital costs are approved under an IESO Nova Scotia revenue requirement application, any variances in capital costs would be captured by the proposed Net Revenue Requirement Variance and Deferral Mechanism.

Request IR - 30

Reference: N-1(i), Exhibit C-1, pdf p.38-39 (simplified DVM calculation).

(a) Please provide a proposed quarterly DVM sub-ledger template (by sub-account).

(b) Please provide sensitivities for interest expense if the monthly assessment commences (i) later than April 1, 2026; (ii) at a reduced amount (e.g., $700,000/month).

(c) If the Board were to approve a retroactive Monthly Assessment, explain how any retroactive amount would be treated in the DVM.

Response IR - 30

(a) IESO Nova Scotia proposes to consider DVM sub-ledger templates amongst other topics as part of the NSEB directed completion of guidelines regarding the Net OM&A Deferral and Variance Account in M12412.

(b) Please note that the NSEB has approved IESO Nova Scotia's request for temporary financial relief by letter on February 25, 2026. In that letter, the Board advised that fees are approved at $950K and to begin as of April 1, 2026.

(c) The precise details of a potential retroactive Monthly Assessment would have to be known to expand on its treatment in the DVM. That said, generally, if the retroactive Monthly

Assessment results in an over- or under-recovery related to the Board approved revenue requirement, then the DVM would simply record the variance for later true-up in the next revenue requirement application.

Request IR - 31

Reference: N-1(i), Exhibit D-1, pdf pages 42-43, confirms that a permanent fee and cost recovery mechanism will be submitted for NSEB review and approval in Q2 2026:

(a) Please confirm under which provision(s) of the More Access to Energy Act IESO-NS will be making this application and address any additional recovery mechanism(s).

(b) What is the preliminary framework or option being considered as the permanent fee and cost recovery mechanism?

(c) Please specify who IESO-NS anticipates will be responsible for payment of the revenue requirement costs as applied for and what will be the anticipated cost allocation methodology?

Response IR - 31

(a) IESO Nova Scotia will be submitting its permanent fee and cost recovery mechanism under Section 29 of the *More Access to Energy Act*, as it is related to NSEB review and approval of the IESO’s revenue requirements and fees. IESO Nova Scotia anticipates that NS Power’s related permanent cost recovery mechanism will also be submitted at that time. Other cost recovery mechanisms may be submitted at that time subject to further consideration, but yet to be determined.

(b) This is to be determined. The permanent fee and cost recovery framework will be based on jurisdictional research related to IESO cost recovery mechanisms, and a fit-for-purpose solution for the Nova Scotia electricity system and market.

(c) This is to be determined, but in general would include “market participants” in the Nova Scotia electricity market which is consistent with IESO jurisdictional precedent.

Request IR - 32

Reference: N-1(i), Exhibit D-1, pdf p.42 states that any excess amounts paid by NSPI "will be subject to reconciliation through a permanent fee recovery mechanism … credited back to NS Power through a reduction in future fees payable."

(a) Please explain whether it is contemplated that such credits will be returned immediately or only at the next test year. Please provide a working example, with timing.

(b) What is the proposed carrying cost applied to any over- or under-collection between collection and refund/recovery dates.

Response IR - 32

(a) Excess amounts recovered via fees resulting in "credits" would be factored into the next fiscal year revenue requirement and fees application. For a working example, please refer to Exhibit C-1 page 39 lines 6 to 11 of the Application.

(b) This is to be determined. Please note that the NSEB has approved IESO Nova Scotia's 2025/2026 Revenue Requirement and Net OM&A Deferral and Variance Account by Decision and Order on February 25, 2026. In its Order, the Board provided requirements regarding the Net OM&A Deferral and Variance Account, as follows:

> The Net OM&A Deferral and Variance Account is approved. However, specific guidelines and accounting policies must be developed and approved before there is a recovery of Net Ongoing OM&A amounts from the Deferral and Variance Account. IESO Nova Scotia is directed to include these specific guidelines and accounting policies, and a description of the financial controls it has adopted, no later than its application for the 2027/2028 revenue requirement.

The IESO anticipates that issues such as carrying costs on over- or under-collection will be resolved as part of IESO Nova Scotia's development of specific guidelines and accounting policies.