
Request IR - 1

Refer to M12663, Exhibit N-1-(i), IESO-NS application for an order made pursuant to Section 29 of the Act for the review of its proposed expenditure and revenue requirements and the fees it proposes to charge for the fiscal year between April 1, 2026 and March 31, 2027 (the "Application") 1 and Exhibit A-1 Introduction, page. 2 at lines 6-20, which states:

> As part of this Application, IESO Nova Scotia is seeking review and approval from the NSEB for its ongoing operational, maintenance and administrative (Operating, Maintenance, and Administration (OM&A)) costs budget for the fiscal year 2026/2027, in the amount of $13.08M, as well as transitional and operational planning costs related to the Phase II transition of the energy dispatch operations and related functions to IESO Nova Scotia in the amount of $1.77M (Transitional Costs), for a total of $14.85M (Total OM&A 13 Costs). This 2026/2027 Revenue Requirement application seeks approval of the entirety of these Total OM&A Costs.
>
> This OM&A budget must be viewed in the context that IESO Nova Scotia's 2025/2026 revenue requirement application (M12412) has yet to be approved by the NSEB at the time of this Application. The December 31, 2025 statutory deadline for submitting this 2026/2027 revenue requirement application under the Act necessarily meant that there would be overlap between the preparation of the 2026/2027 application and the Board process for approval of the 2025/2026 application. As such, there may be elements of this Application that may change following completion of the Board's review of the 2025/2026 application.

(a) Does IESO-NS still expect that there will be changes to elements of this Application? If so, please provide details regarding which elements have/will change and by how much.

(b) Please confirm if IESO-NS is referring, when discussing potential changes to the elements of the Application, to salaries and/or staffing and, if so, please explain:

i. if an increase in staffing is expected, why IESO-NS does not have the necessary complement of staff required to do its job today; or

ii. if a decrease in staffing is expected, why IESO-NS currently is over staffed.

(c) Please provide an update to the organization chart requested in SBA IR 1(f)/NSEB IR13(b) for M12412 which shows the positions whose salaries are included in this Application and also please indicate whether these positions are being filled by individuals who are transferring from NS Power.

(d) Please also clarify whether the management team structure is expected to remain the same through March 2027 and, if not:

i. What changes are anticipated; and

ii. whether those anticipated changes are included as part of this Application.

Response IR - 1

(a) No.

(b) Please refer to part a).

(c) Please refer to NSEB IR-4 Attachment 1.

(d) Yes, it is expected that the management team structure is expected to remain the same through March 2027.

Request IR - 2

Refer to the Application and Exhibit D-1 – Immediate Temporary Financial Relief which states on page 40, at lines 9-11: While IESO Nova Scotia has filed its 2025/2026 Revenue Requirement Application (M12412) and is seeking the Board's approval of its 2026/2027 revenue requirement via this Application, IESO Nova Scotia has not yet collected any fees related to its revenue requirement.

(a) Please confirm which members of the IESO-NS management team, and Board of Directors if applicable, are responsible for the planning, developing for review and preparation of the filing necessary for IESO-NS to be able to collect fees related to its revenue requirement.

(b) Please confirm when IESO-NS originally anticipated it would obtain approval for the collection of fees to recover its revenue requirement.

(c) Please confirm how IESO-NS plans to charge and recover fees related to its revenue requirement from customers for IESO services who do not participate in the NS Power FAM?

(d) Provide a count and list by business type (not by name) who are expected to be served by the IESO-NS.

Response IR - 2

(a) The primary members of IESO Nova Scotia's leadership team responsible for the planning, developing for review and preparation of the permanent fee and cost recovery mechanism are the President & CEO, General Counsel & Corporate Secretary, and Director, Finance.

(b) As noted in IESO Nova Scotia's 2025/2026 Revenue Requirement application, it was originally anticipated that it would seek approval for the mechanism to allow for the recovery of fees "[a]s part of a future rate fiscal year application".[1] The IESO now anticipates filing a permanent fee and cost recovery mechanism in Q1 of our 2026/27 fiscal year.

(c) Please refer to the responses to NSEB IR-31 and DGT IR-06.

(d) IESO Nova Scotia's mandate is in service of all Nova Scotia market participants.

[1] IESO Nova Scotia 2025-2026 Revenue Requirement Application (M12412), August 5, 2025, Exhibit A-1; p. 11

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Request IR - 3

Refer to the Application and Exhibit D-1 – Immediate Temporary Financial Relief which states on page 40, lines 18-20: While IESO Nova Scotia now has access to and is utilizing the Province's Ten (10) Million dollar line of credit, it projects that it will become unable to meet its liabilities as they become due in May 2026.

(a) Please confirm when IESO-NS first obtained access to the Province's $10 million line of credit ("LOC") referenced above.

(b) Please confirm when IESO-NS first applied funds drawn from this LOC to pay for its business activities.

(c) Was the time frame that the LOC was originally supposed to cover expected to begin with IESO-NS' 2026 fiscal year? If not, please explain when it was supposed to start being used and provide the statutory support for that date.

(d) Please provide a separate, detailed accounting of what this LOC has been spent on to-date and by month from the date of first use.

(e) How does IESO-NS plan to cover its expenses if it is unable to obtain approval for its Application by May 2026?

Response IR - 3

(a) Please refer to page 5 of IESO Nova Scotia's 2026/2027 Revenue Requirement and Fee Application Rebuttal Submission of February 19, 2026.

(b) Please refer to page 5 of IESO Nova Scotia's 2026/2027 Revenue Requirement and Fee Application Rebuttal Submission of February 19, 2026.

(c) Please refer to page 5 of IESO Nova Scotia's 2026/2027 Revenue Requirement and Fee Application Rebuttal Submission of February 19, 2026. There is no applicable statutory basis for the start date of application of the LOC.

(d) Please refer to page 5 of IESO Nova Scotia's 2026/2027 Revenue Requirement and Fee Application Rebuttal Submission of February 19, 2026.

(e) Please note that the NSEB approved the IESO's temporary financial relief request by letter on February 25, 2026. Please refer to IESO Nova Scotia's 2026/2027 Revenue Requirement and Fee Application Rebuttal Submission of February 19, 2026.

Request IR - 4

Refer to the Application and Exhibit D-1 – Immediate Temporary Financial Relief which states on page 40, at lines 14-17: It has become known to IESO Nova Scotia that (a) commercial lenders are not prepared to loan IESO Nova Scotia funds in absence of revenue or an approved revenue requirement, and (b) the Province was prepared to loan IESO Nova Scotia the total of Ten (10) Million dollars in the form of a line of credit.

(a) Please confirm what is the full list of requirements in order for IESO-NS to qualify for a line of credit from commercial banks, besides having a Board approved revenue requirement?

(b) Does IESO-NS consider its use of the term “immediate” financial relief to be essentially the same as an “emergency” funding request and an indication that it is on the verge of defaulting on its payment obligations?

(c) Has any provider of services secured to-date requested confirmation of IESO-NS’s ability to pay the provider’s bills when they become due any time during 2026?

(d) Is IESO-NS currently in arrears on any of its payments to service providers and if so, by how much?

Response IR – 4

(a) IESO Nova Scotia was not provided with a formal full list of requirements to qualify for a line of credit from commercial banks.

(b) Please refer to IESO Nova Scotia's 2026/2027 Revenue Requirement and Fee Application Rebuttal Submission of February 19, 2026.

(c) To the IESO's knowledge, no provider of services secured to date has requested confirmation of IESO Nova Scotia's ability to pay the provider's bills when they become due any time during 2026.

(d) At December 31, 2025, overdue payments (over 30 days) to vendors is $1,568,463. IESO Nova Scotia has been paying some vendors at 60 days from receipt of invoice to conserve cash, which is typically at least 30 days beyond standard terms.

Request IR - 5

Refer to the Application and Exhibit D-1 – Immediate Temporary Financial Relief which states on page 40, at lines 24-26: … IESO Nova Scotia has determined that a ***minimum*** of Nine Hundred Fifty Thousand dollars ($950,000) revenue is needed each month to ensure it continues to meet its liabilities as they become due. [Emphasis added]

And on page 41, at lines 13-17: Ahead of this filing, IESO Nova Scotia has consulted NS Power and can advise that NS Power is agreeable to the above request recognizing the unique nature of the situation and the need for a timely solution, provided it is able to record, defer, and recover the Monthly Assessment through its Fuel Adjustment Mechanism (FAM), with the Monthly Assessment being approved as a prudent cost of NS Power by way of this application.

(a) How far ahead of this filing did IESO NS:

i. Consult with NS Power about its proposal to recover its temporary financial relief monthly payment through the FAM?

ii. Consult with customer representatives who are currently subject to the FAM about its proposal to recover its temporary financial relief monthly payment through the FAM?

iii. Consult with other potential users of IESO-NS services who are not currently subject to the FAM. Please also confirm how many of these non-FAM customers were consulted and how.

(b) Please provide the legislative authority for this request to recover IESO-NS revenue requirement through the FAM.

Response IR – 5

(a)

i. Consultation with NS Power began in November 2025.

ii. A briefing session with stakeholders was held on January 19, 2026.

iii. Please refer to part (a) ii.

(b) Please note that the NSEB approved IESO Nova Scotia's temporary financial request on February 25, 2026. In their letter, the Board declined NS Power's use of the FAM to defer and record costs related to the IESO's fees. Please refer to pages 8-10 of IESO Nova Scotia's 2026/2027 Revenue Requirement and Fee Application Rebuttal Submission of February 19, 2026.

Request IR - 6

Refer to the Application and Exhibit C-1 – Net Revenue Requirement Deferral and Variance Mechanism, starting on page 37:

(a) IESO NS is proposing that the Net OM&A Deferral and Variance Account, as described in its 2025/2026 revenue requirement application, be made permanent and be referred to as the Net Revenue Requirement Deferral and Variance Mechanism. Please provide the following information with respect to the proposed New Revenue Requirement Deferral and Variance Mechanism:

i. Will the true-up of the account be on an annual basis?

ii. Will there be any policies with respect to the total amount of variance allowed within the mechanism?

iii. What will happen if the Board finds that there was imprudence on the part of IESO NS and does not approve all of the Net Revenue Requirement Deferral and Variance Mechanism?

iv. Will there be an audit of the Net Revenue Requirement Deferral and Variance Mechanism?

Response IR - 6

(a)

i. Yes.

ii. Please refer to the response to NSEB IR-28.

iii. Please refer to the response to NSEB IR-28.

iv. IESO Nova Scotia anticipates review of the Net Revenue Requirement and Deferral Mechanism will occur on an annual basis through the annual revenue requirement and fees applications.

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Request IR - 7

Refer to the Application and Exhibit A-1 – Introduction, which states at page 5, Lines 14 – 19:

IESO Nova Scotia notes that actual expenditures for fiscal year 2025/2026 are materially tracking against its proposed 2025/2026 Revenue Requirement, and IESO Nova Scotia has no further amendments to the assumptions or costs noted in its 2025/2026 Revenue Requirement Application. Any variances of budget to actual will be captured and accounted for in the Net Revenue Requirement Deferral and Variance Mechanism.

(a) What is meant by “materially tracking against”?

Response IR - 7

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

Request IR - 8

Refer to the Application and Exhibit A-1 – Introduction, page 6, Lines 24-25 and page 7, lines 1-2 and confirm if there is anything missing from that bullet and what the time line is for the transfer of responsibility to IESO NS.

Response IR - 8

The referenced bullet should read:

> IESO Nova Scotia, in collaboration with NS Power and the Northeast Power Coordinating Council, Inc. (NPCC), has established a process of ensuring that responsibility for compliance with the North American Electric Reliability Corporation (NERC) and NPCC reliability standards related to Phase I *is maintained*, and has established a plan to effectively transfer ultimate responsibility for the same to IESO Nova Scotia. [emphasis added].

Transfer of responsibilities for Phase I occurred February 15, 2026.

Request IR - 9

Refer to the Application and Exhibit A-1 – Introduction, page 9, Lines 12--13 and page 10, line 1, and provide the categories of expenditures for which IESO-NS obtained vendor quotes; the specific expenses those vendor quotes applied to, and how many quotes were obtained for each category of expenditure.

Response IR - 9

OM&A Cost Category	**Notes**
Employees (Administration)	• Employee extended benefits – 5 quotes
Corporate Administrative	• Communications – 3 quotes • Stakeholder Engagement – 6 quotes • Web Hosting – 4 quotes
Facilities and Technology	• Office lease – Prior to securing the office lease, multiple offices/locations were considered. Two to three quotes were received for signage (2), security cameras, designer consultant (2), painting (3), Cleaning (2). • Other IT Costs – Two quotes were obtained for each of mobile phones and internet communication services, printer/copier, shredder, laptops and super workstations.
Finance	• External Financial Audit – 7 requests for quote sent. 1 proposal received.

Transition and Operational Planning	• Subject Matter Expert Phase II – RFP issued for IT, OT & Cybersecurity Transition Roadmap issued with 9 responses. • Compliance Preparedness & Assurance
Operations (System Planning)	• Integrated Resource Planning Consulting Fees – RFP issued with 9 responses.

Request IR - 10

Refer to the Application and Exhibit B-1 – Ongoing OM&A Cost Category Detail, page 14 lines 7-9:

(a) How did IESO-NS arrive at the estimated turnover of 2-3 employees?

(b) Have any employees who have been employed by IESO-NS since it began hiring left?

(c) Does this cost category only apply if employees leave IESO-NS, meaning that if no employees leave IESO NS between March 2026-April 2027 then these costs would not be incurred?

Response IR - 10

(a) Refer to NSEB-IR 11 (f).

(b) No.

(c) Yes.

Request IR - 11

Refer to the Application and Exhibit B-1 – Ongoing OM&A Cost Category Detail, page 15, Table 3: Comparison Chart Between 2025/2026 and 2026/2027 Budgets for the Employees (Administration) Category:

(a) How was the annualized amount for the 2025/2026 revenue requirement calculated?

Response IR - 11

(a) Please refer to DGT IR-10 part (b).

Request IR - 12

Refer to the Application and Exhibit B-1 – Ongoing OM&A Cost Category Detail, page 16, Table 4: OM&A Costs for the Corporate Administrative Cost Category:

(a) What is the breakdown for office costs?

(b) Why were there no office costs included in the 2025/2026 revenue requirement application?

(c) Is there any crossover between expenses included under office costs and the expenses included under the Facilities and Technology cost category?

Response IR - 12

(a) Please refer to the response to DGT IR-11.

(b) The absence of office costs in the 2025/2026 revenue application was an oversight on the part of IESO Nova Scotia.

(c) No.

Request IR - 13

Refer to the Application and Exhibit B-1 – Ongoing OM&A Cost Category Detail, page 19 lines 13-15 and page 20 lines 1-7.

(a) There is no reference to an application to the Board regarding a mechanism to enable IESO NS to collect costs from ratepayers. Is such an application contemplated for this revenue requirement period?

Response IR - 13

(a) The Application refers to IESO Nova Scotia’s intention to submit permanent fee and cost recovery mechanism in Q1 of our 2026/27 fiscal year. Please refer to Exhibit D-1, page 41 lines 18 to 27, and page 42 lines 1 to 18.

Request IR - 14

Refer to the Application and Exhibit B-2 – Ongoing OM&A cost category detail, on page 27 at lines 3 – 6, which states: These costs are for interest expenses associated with financing required to provide cash for operations until IESO Nova Scotia starts receiving NSEB approved fees. Pursuant to the financial relief request in the Application, IESO Nova Scotia has assumed it will start receiving fees in early 2026.

(a) Please confirm that the “fees” referenced above are those that would be received under the Immediate Temporary Financial Relief, requested in Exhibit D-1, and do not refer to the as yet to be developed cost recovery mechanism for IESO NS’s costs in fiscal 2025, 2026 and 2027.

Response IR - 14

(a) Confirmed. Please note that IESO Nova Scotia’s request for temporary financial relief was approved by the NSEB by letter on February 25, 2026.

Request IR - 15

Refer to the Application and Exhibit B-2 – Ongoing OM&A cost category detail, Table 3: Comparison Chart Between 2025/2026 and 2026/2027 Budgets for the Employees (Administration) Category, page:15

(a) Please confirm the number of employees that are covered in the Employees (Administration) cost category ($4.44 M) for the test year?

Response IR - 15

(a) Refer to NSEB-IR11 (a).

Request IR - 16

Refer to the Application and Exhibit B-2 – Ongoing OM&A cost category detail, Table 15: OM&A Costs for the Operations (System Planning) Cost Category, page 30:

(a) Please confirm the number of employees that are covered in the Operations (System Planning) cost category of Salaries and Wages for Technical Staff ($3.71M) for the test year.

(b) Please confirm there are no other employee costs, under any cost category, forecast during the test year.

(c) Please provide the total costs for all employees, under all cost categories, forecast during the test year.

Response IR - 16

(a) The number of employees that are covered in the Operations (System Planning) cost category of Salaries and Wages for Technical Staff ($3.71M) for the test year is 21.

(b) There are other employee costs under the Employees (Administration) Category. Please refer to the Application and Exhibit B-2 – Ongoing OM&A cost category detail, Table 2: OM&A Costs for Administration Salaries, page 12. Also refer to Exhibit B-2, Page 13, line 4, which describes the two cost categories for internal labour resources.

(c) Total budget for Salaries and Wages for Technical Staff is $3.71M and the total budget for Administration Salaries is $4.34M for a total employee budget of $8.05M.