

April 16, 2026

By Email

M12663 Parties

Dear Parties:

M12663 – Nova Scotia Independent Energy System Operator – 2026/2027 Revenue Requirement and Fees

On January 23, 2026, the Board issued a Hearing Order determining the proceeding would be conducted by way of a paper hearing with oral argument, but the Board reserved the right to convert it to a full oral hearing if circumstances warranted. In accordance with the timeline in the Hearing Order, an intervenor wishing to request an oral hearing had to do so by Tuesday, April 14, 2026.

On April 7, 2026, the Small Business Advocate and the Consumer Advocate asked the Board to convene an oral hearing. In her letter, the Small Business Advocate stated:

While this is the second application by the IESO-NS for approval of its Revenue Requirement, it is the first application covering a full year. In addition, it is the first application since IESO-NS began its first Integrated Resource Plan following the onboarding of employees from Nova Scotia Power Inc. Following its review of the responses provided by IESO-NS to the Information Requests filed by the Board, Board Counsel Consultants and Intervenors, the SBA submits that there is a lot of missing information and justification for the Application, which would be best addressed at an oral hearing. These issues include the progress on recruitment and staffing of key roles; phasing and transition timing, budgetary spending, the requested permanent Net Capital Revenue Requirement Deferral and Variance Mechanism and its governance, and issues raised in relation to the request for interim funding, among others.

On April 15, 2026, IESO-NS responded to the requests. In its submissions, it stated:

IESO Nova Scotia acknowledges the SBA's concern regarding the sufficiency of information and justification in the Application. Much of the current evidentiary record is a reflection of IESO Nova Scotia being in its first year of operation, and having had employees only as recently as November/December 2025. IESO Nova Scotia nevertheless has made best efforts to strengthen the evidence provided to the Board and intervenors through the information request process, including supplemental responses provided at the request of intervenors.

IESO-NS also noted that it was actively implementing directions from the Board's decision approving its revenue requirement for the period ending March 31, 2026 (M12412), along with advancing foundational regulatory work and significant work underway in long-term electricity system planning. As such, it submitted that remaining concerns about its

2026/2027 Revenue Requirement and Fees application could be appropriately addressed through oral argument (or written closing and reply submissions).

This matter is being considered by Stephen T. McGrath, K.C., Chair; Roland A. Deveau, K.C., Vice Chair; and Jennifer L. Nicholson, CPA, CA, Member.

Given the concerns raised by the Small Business Advocate, which were endorsed by the Consumer Advocate, and the concerns expressed by the Board in its decision granting interim relief dated February 25, 2026, the Board approves converting this proceeding to a formal oral hearing. While the Board takes note of the steps IESO-NS is taking at its early stage of development, more active engagement in the regulatory process at this stage will help to ensure that these efforts are appropriately understood by ratepayers and other interested parties, and acceptable from a regulatory perspective. This will be far more efficient at the outset and mitigate the unnecessary effort and delay that would be occasioned if problems were not addressed at an early stage.

Furthermore, the Board understands that the request for an oral hearing is to allow for cross-examination. There is a difference between evidence and submissions, and the Board is not convinced that the concerns about missing information and justification can be adequately addressed without this evidentiary component. The use of submissions to provide new information to address outstanding questions is not the preferred approach and generally not acceptable.

The hearing will commence on **Wednesday, June 17, 2026** (the date originally set for oral argument in this matter). If necessary, the Board has reserved **Thursday, June 25, 2026**, and **Friday, June 26, 2026**, to complete the hearing. Oral submissions will follow the conclusion of the evidence, time permitting, unless the parties request the filing of written submissions.

The following dates will also apply to this proceeding, in addition to the current timeline:

Witness Lists and Requests for Virtual Appearance of Witnesses	Friday, May 29, 2026
Objections of Requests for Virtual Appearances	Tuesday, June 2, 2026
Opening Statements (if any)	Wednesday, June 10, 2026

An amended Hearing Order will follow.

Yours very truly,



Crystal Henwood
Clerk of the Board

c. William L. Mahody, K.C., Board Counsel

