



March 27, 2026

REDACTED

Ms. Crystal Henwood
Regulatory Affairs Officer/Clerk
Nova Scotia Utility and Review Board
1601 Lower Water Street, 3rd Floor
P.O. Box 1692, Unit "M"
Halifax, NS B3J 3S3

Re: M11533 2022-2023 FAM Audit Action Plan Update on Recommendation on XII-1

Dear Ms. Henwood:

Bates White Economic Consulting, LLC (Bates White) filed its final audit report for the 2020- 2021 FAM Audit period with the Nova Scotia Utility and Review Board (NSUARB, Board) on November 1, 2022 (Audit Report). Recommendation XI-4 in the Audit Report was as follows:

NSPI should update the Board on its progress to come to a final agreement with Nalcor regarding the valuation of the undelivered NS Block quantities, the classification of the undelivered quantities as either Block A Undelivered Energy or Block B Undelivered Energy, and the precise valuation of the makeup energy that Nalcor will provide to make up for the undelivered quantities. The update should include the quantities and value of the undelivered quantities to date, as well as the quantities and value of any makeup energy provided to date. Such data should include supporting calculations to encourage transparency. NSPI should continue updating the Board quarterly on this issue until both (a) NSPI and Nalcor come to such a final agreement and (b) all makeup quantities have been delivered.¹

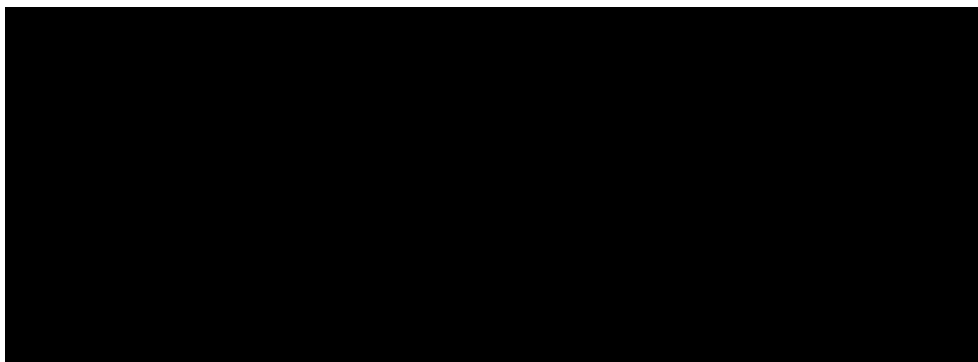
¹ M10416, Bates White FAM Audit Report for 2020-2021, Fuel Adjustment Mechanism (FAM) Audit 2020-2021, November 1, 2022, page 362-363.

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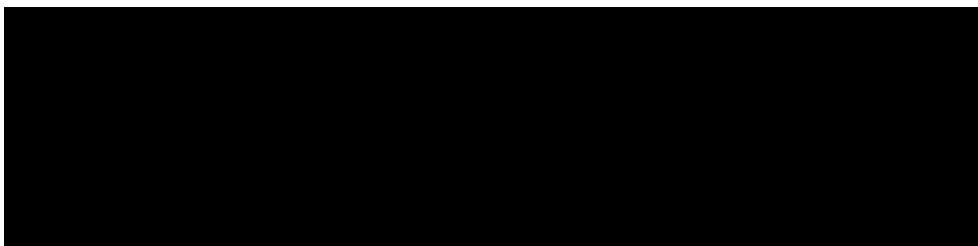
Nova Scotia Power Incorporated (NS Power, Company) filed Reply Evidence on January 19, 2023, stating as follows:

NS Power accepts this recommendation and will provide the Board with quarterly updates on the recommended information, beginning with the Q1 2023 report to be filed by May 31, 2023.²

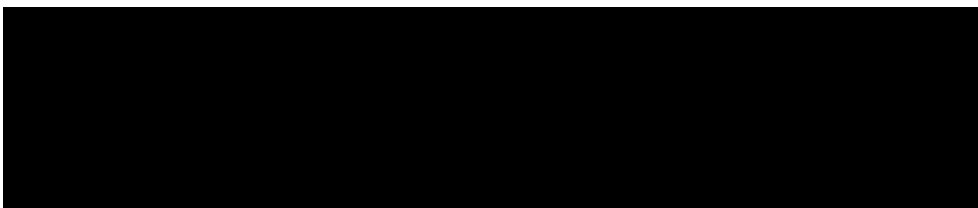
On June 1, 2023, NS Power submitted the first update on Recommendation XI-4 as follows:



On September 8, 2023, NS Power submitted the following in its quarterly update:



On December 11, 2023, NS Power submitted the following in its quarterly update:



² M10416, NS Power Reply Evidence, Fuel Adjustment Mechanism (FAM) Audit 2020-2021, January 19, 2023, page 24.

³ M10416, NS Power Quarterly Update on Recommendation XI-4, Fuel Adjustment Mechanism (FAM) Audit 2020-2021, June 1, 2023.

⁴ M10416, NS Power Quarterly Update on Recommendation XI-4, Fuel Adjustment Mechanism (FAM) Audit 2020-2021, September 8, 2023.

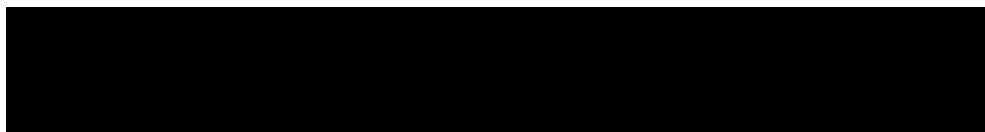
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On March 7, 2024, NS Power submitted the following in its quarterly update:



On July 5, 2024, NS Power submitted the following in its quarterly update:



On July 5, 2024, Bates White filed its final audit report for the 2022- 2023 FAM Audit period. Recommendation XII-1 in the Audit Report was as follows:

NSPI should continue to update the Board on its progress to come to a final agreement with NLH regarding the valuation of the undelivered NS Block quantities, the classification of the undelivered quantities as either Block A Undelivered Energy or Block B Undelivered Energy, and the precise valuation of the makeup energy that NLH will provide the undelivered quantities. The update should include the quantities and value of the undelivered quantities to date, as well as the quantities and value of any makeup energy provided to date. The data should also clearly explain whether the volumes are “gross” or “net” volumes (i.e., whether transmission losses are included), and ensure that the reported volumes are reported in units that match the contractual obligations of the ECA. Such data should include supporting calculations to encourage transparency. NSPI should continue updating the Board quarterly on this issue until both (a) NSPI and NLH come to such a final agreement and (b) all makeup quantities have been delivered.⁸

⁵ M10416, NS Power Quarterly Update on Recommendation XI-4, Fuel Adjustment Mechanism (FAM) Audit 2020-2021, December 11, 2023.

⁶ M10416, NS Power Quarterly Update on Recommendation XI-4, Fuel Adjustment Mechanism (FAM) Audit 2020-2021, March 7, 2024.

⁷ M10416, NS Power Quarterly Update on Recommendation XI-4, Fuel Adjustment Mechanism (FAM) Audit 2020-2021, July 5, 2024.

⁸ M11533, Bates White FAM Audit Report for 2022-2023, Fuel Adjustment Mechanism (FAM) Audit 2022-2023, July 5, 2024, page 368.

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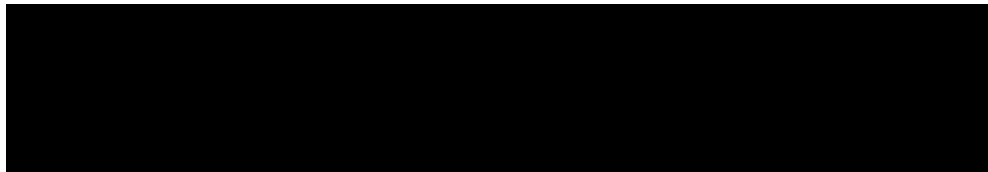
On August 30, 2024, NS Power submitted the following in its quarterly update:



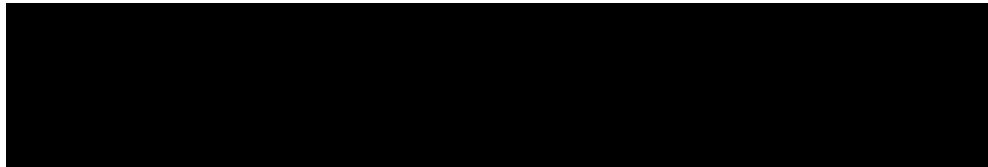
NS Power filed Reply Evidence on the 2022-2023 FAM Audit Report on September 23, 2024, stating as follows:

NS Power accepts this recommendation. NS Power will continue to update the Board on progress towards the final determination of Block A and Block B volumes.¹⁰

On December 3, 2024, NS Power submitted the following in its quarterly update:



On March 3, 2025, NS Power submitted the following in its quarterly update:



On June 25, 2025, NS Power submitted the following in its quarterly update:



⁹ M10416, NS Power Quarterly Update on Recommendation XI-4, Fuel Adjustment Mechanism (FAM) Audit 2020-2021, August 30, 2024.

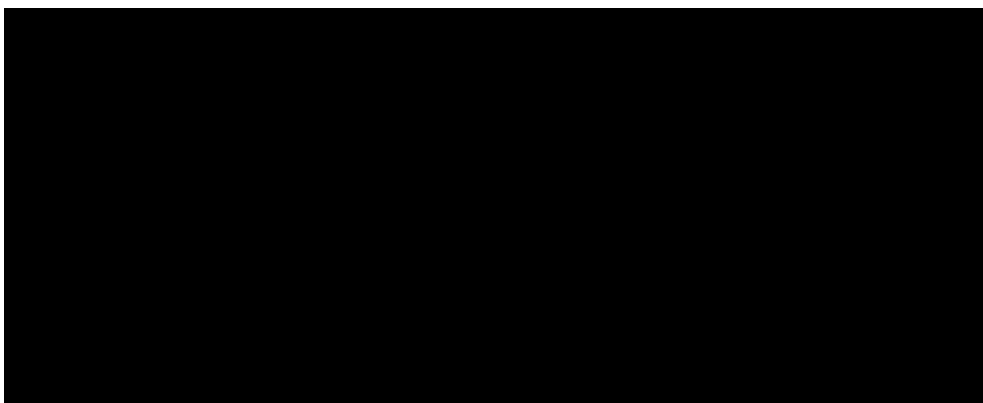
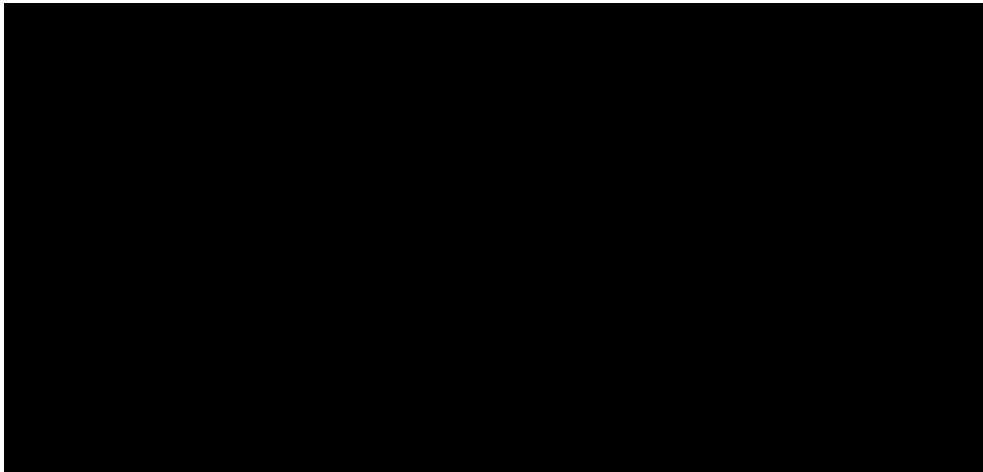
¹⁰ M11533, NS Power Reply Evidence, Fuel Adjustment Mechanism (FAM) Audit 2022-2023, September 23, 2024, page 39.

¹¹ M11533, NS Power Quarterly Update on Recommendation XII-1, Fuel Adjustment Mechanism (FAM) Audit 2022-2023, December 3, 2024.

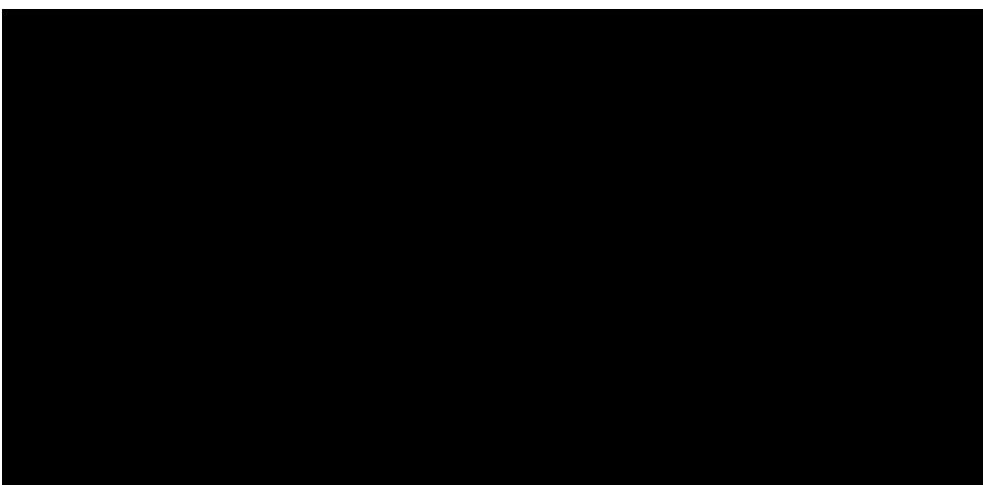
¹² M11533, NS Power Quarterly Update on Recommendation XII-1, Fuel Adjustment Mechanism (FAM) Audit 2022-2023, March 3, 2025.

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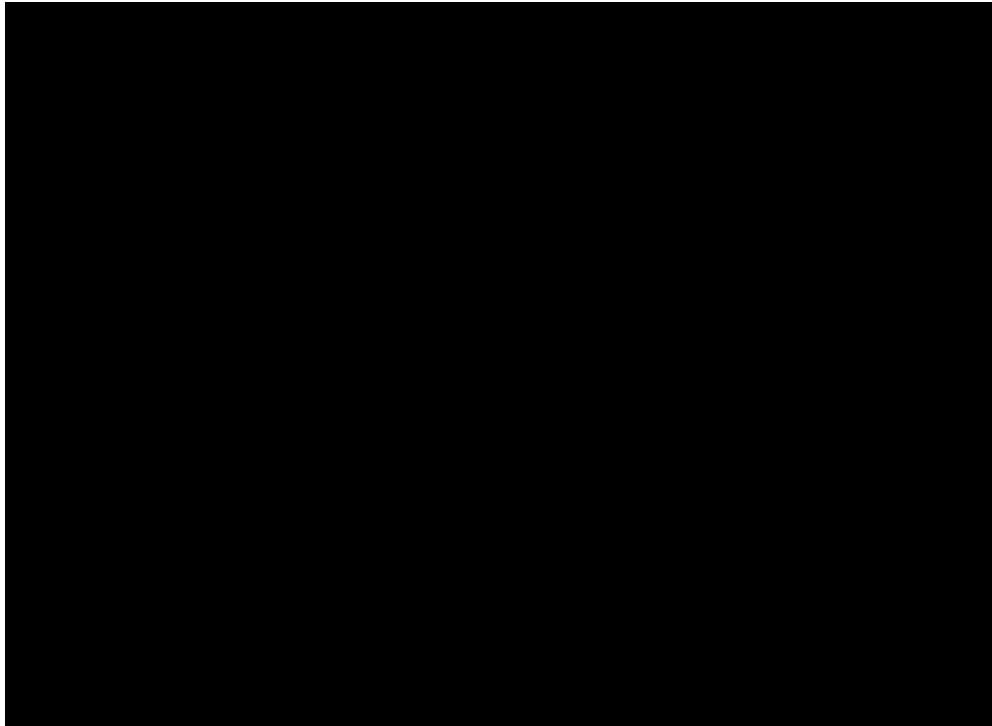
On September 15, 2025, NS Power submitted the following in its quarterly update:



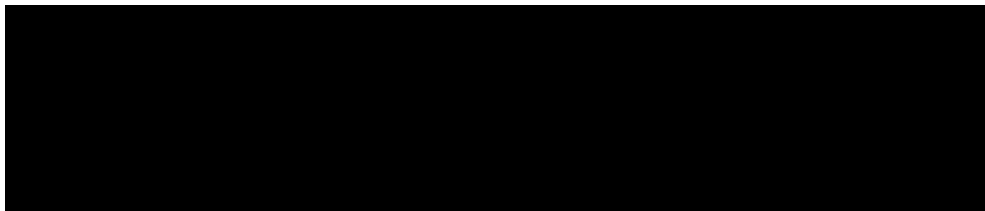
¹³ M11533, NS Power Quarterly Update on Recommendation XII-1, Fuel Adjustment Mechanism (FAM) Audit 2022-2023, June 25, 2025.

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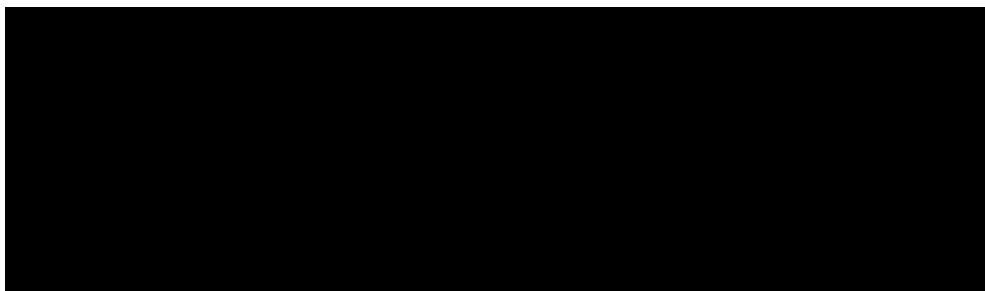
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On December 9, 2025, NS Power submitted the following in its quarterly update:



On January 30, 2026, NS Power submitted the following in its FAM Audit Action Plan Update:



¹⁴ M11533, NS Power Quarterly Update on Recommendation XII-1, Fuel Adjustment Mechanism (FAM) Audit 2022-2023, September 15, 2025.

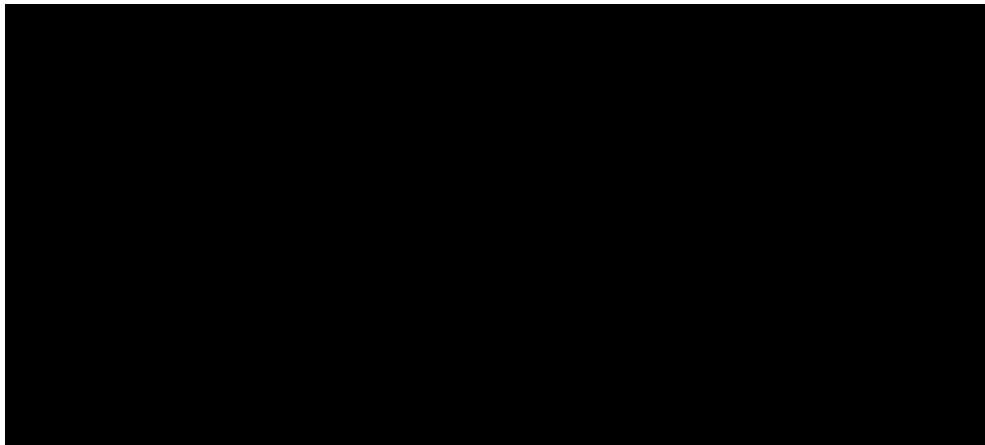
¹⁵ M11533, NS Power Quarterly Update on Recommendation XII-1, Fuel Adjustment Mechanism (FAM) Audit 2022-2023, December 9, 2025.

¹⁶ M12665, NS Power 2022-2023 FAM Audit Action Plan Update, Fuel Adjustment Mechanism (FAM) Audit 2024-2025, January 30, 2026, page 13.

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The current update is as follows:



NS Power provides ongoing valuation of undelivered and redelivered energy in the quarterly Maritime Link Benefits Reports. NS Power has also completed the calculation of the estimated value of undelivered and redelivered energy. This calculation was reviewed by Bates White and presented to the FAM Small Working Group (SWG) on June 27, 2025. In the FAM Audit Decision issued on October 16, 2025, the Board directed the review of the valuation of the undelivered and redelivered energy to occur during the next FAM Audit proceeding.

Yours truly,



Jessie Wallace

Manager, Regulatory Strategic Planning and Innovation