M12665

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: *The Public Utilities Act,* R.S.N.S. 1989, c.380, as amended

IN THE MATTER OF: **NOVA SCOTIA POWER INCORPORATED'S Fuel Adjustment Mechanism (FAM) Audit for 2024/2025 by Bates White Economic Consulting, LLC**

INFORMATION REQUESTS
(NON-CONFIDENTIAL)

To:	**Jennifer Power** **Director, Regulatory** Nova Scotia Power Incorporated 1223 Lower Water Street PO Box 910 Halifax, NS B3J 3S8 Jennifer.Power@nspower.ca
From:	Small Business Advocate
Responses Due:	November 17, 2026
Copies:	1 electronic copy (PDF searchable)
Contact Person:	**Melissa P. MacAdam** **Blackburn Law Inc.** **Small Business Advocate** **Phone (902) 835-8544** **mmacadam@blackburnlaw.ca**

Issued at Bedford, Nova Scotia on this 27th day of October, 2026

Request IR-1:
Please refer to M12665, Exhibit N-5, the Audit of Nova Scotia Power, Inc.'s Fuel Adjustment Mechanism for 2024-2025 (the "Audit Report"), Section II.B.2.a ERM Employees, Figure II-3: Change in Headcount during Audit Period at NSPI Business Units, page 26, which set out the number of employees added during 2025 for the list of business assets.

a) If the role and responsibility for the System Operator is due to transfer to IESO-NS during 2027, why did NS Power increase the headcount for the System Operator by 25%? Who determined (NS Power or IESO-NS) that an increase of 5 new employees was needed and what roles did they fill? Will these employees remain with NS Power or are they expected to ultimately transfer to IESO-NS?

b) Why did NS Power add 14 employees to the headcount for Tufts Cove during 2025 (an increase of 14.1%) and what asset management plan was used to support these new hires?

c) Why did NS Power add 17 employees to the headcount for the asset category Hydro Stations during 2025, an increase of 21.5%, and was this addition supported by NS Power's hydro asset plan? Which hydro generating units will these new employees work on/at? What positions will these new employees have?

d) How many of the employees added for each NSPI Business Unit during 2025 are full-time employees versus part-time or contract employees? Are these employees' salaries included in any capital plans currently awaiting review by the Board?

e) Why is employee headcount increasing at units that are planning to be retired soon?

Request IR-2:
Please refer to M12665, Exhibit N-5, the Audit Report, Chapter III.B.1.e. Short Term Load Forecast, Page 54, Third paragraph, which states:

> It appears clear from the data that NSPI's short-term load forecasts were significantly impacted by the cyber event, and though NSPI denies making any sort of adjustments to bias the model against poor reliability outcomes, the forecasts' higher MAPE and upward bias suggests NSPI sought to ensure adequate online resources during a challenging period to operate the system. This approach has its merits and occurred in response to a major cyber event that prevented NSPI's employees from accessing key systems on which they rely each day, such as PI, and processes that are impacted by those offline systems (such as the short-term load forecast). Still, this approach has costs and could, at times, lead to overcommitment of resources. Winter start-up costs for NSPI's thermal units, for example,

range between $17,795 and $279,018 per unit, depending on the unit and whether the start is a hot, warm, or cold start. Summer start-up costs are the same for most resources, though lower cost (by about half) for the Tufts Cove units.

a) Please confirm the beginning and end date of the cyber event.

b) How long did NS Power continue to estimate load forecasts in this manner following the end date of the cyber event?

c) How long did NS Power continue to estimate load forecasts in this manner following the end date of this FAM Audit period?

d) Does NS Power agree that using the process referred to above to estimate load forecasts increased costs for ratepayers?

Request IR-3:
Please refer to M12665, Exhibit N-5, the Audit Report, Chapter III.B.1.e. Short Term Load Forecast, Page 53, where Bates White focuses on the difference between NS Power's and Bates White's calculation of the Monthly Mean Absolute Deviation and Monthly Mean Absolute Percentage Error ("MAPE").

a) Does NS Power believe that it will be necessary to review this forecasting process used during the cyber event for the next FAM audit period, including the difference between NS Power's and Bates White's calculation of the MAPE?

b) If so, what other metrics besides MAPE should be evaluated?

Request IR-4:
Please refer to M12665, Exhibit N-5, the Audit Report, Chapter V Solid Fuel Supply Management, Page 151, Conclusion V-14, which states:

> **Conclusion V-14:** NSPI reported six instances of lost solid fuel totaling 49 tonnes, each related to coal escaping from rail car doors during transportation on the Point Tupper-Trenton rail route. NSPI explained that it recovered almost the entirety of the spilled coal and transported it back to the Bear Head storage site. No incidents were reported by NSPI to environmental authorities, according to NSPI, due to all coal being contained on the tracks and not located near any waterways or environmentally sensitive areas. In each case, the lost coal was discovered the day after the spill and cleaned up by contractors hired by

rail owner and provider CBNS. Total invoiced costs were $95,763.57, which were passed through to FAM customers.

a) What were the root causes of these 6 fuel loss events; which parties are responsible for making sure it does not happen again and, how and by when will this be accomplished?

b) Was an event such as this one (coal escaping from open rail car doors) reviewed in the previous FAM Audit in M11533?

c) If so, why does this event continue to occur?

Request IR-5:

Please refer to M12665, Exhibit N-5, the Audit Report, Chapter X.B.3.c. Diesel-Fired Combustion Turbines, page 272, last paragraph, where Bates White refers to what appears to have been third party investigative findings that questioned the engine refurbishment work performed by the OEM, to which NS Power agreed the following:

> To resolve these issues, NSPI negotiated with the OEM (WGPW) and pursued the full cost of the event, eventually agreeing to a 50% reduction in final refurbishment costs and a full waiver of costs associated with the leased replacement engine.

a) Was NS Power's settlement agreement reviewed and approved by the Board in a prior matter? If so, please provide the matter number and Board Decision.

Request IR-6:

Please refer to M12665, Exhibit N-5, the Audit Report, Chapter X. Power Plant Performance, Conclusion X-32, page 311, referencing NS Power's Mercury Monitoring Protocols for 2024 and 2025:

> NSPI's actual mercury emissions in 2024 were 35.9 kg, below the credit-adjusted cap of 45 kg. In 2025, NSPI emitted 46.9 kg, above the cap of 45 kg. NSPI's reported mercury emissions for 2025 in its 2025 FAM Annual Report indicated 2025 mercury emissions of 45.0 kg (not 46.9 kg) and indicated no violation of its annual limit in 2025. This was due to NSPI following its "Mercury Monitoring Protocol" which states that if NSPI exceeds an emissions target by 5% or less, it will report the annual limit number as its annual emissions, not its measured emissions for that year.

a) When was this provision of the Mercury Monitoring Protocol (that allows for the reporting of the annual limit number if the emissions targets are exceeded by 5% or less) approved and which governmental organization oversees it?

b) Does NS Power anticipate any changes to the Mercury Monitoring Protocol going forward?

Request IR-7:
Please refer to Exhibit N-8, NS Power Reply FAM Audit Reply Evidence, Appendix A, pp. 13-14 of 16, discussing Bates White Recommendations XV-5 and XV-6 calling for NS Power to measure PHP real time deviations by hour as opposed to by event starting in 2026 for the ELIADC annual report and going forward. NS Power disagrees with these recommendations/

a) How does NS Power plan to further support its view that that such positive values are a legitimate consequence of actual system conditions differing from forecast conditions and thus should be included in the calculation of the total effect of PDN deviations?

b) Does NS Power expect that this issue of deviations under Cause Code 5 will continue even if the Board approves NS Power's application for the ELID tariff?