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:	**Vincent Musco** **Bates White (BW)**
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, Public Redacted version of the Audit of Nova Scotia Power, Inc.'s Fuel Adjustment Mechanism for 2024-2025 (the " Audit Report"), Chapter II.C Conclusions, Conclusion II-10 on page 42-43 and Section II.D Recommendations, Recommendation II-1 on page 43.

a) With respect to Recommendation II-1, does Bates White have a recommended timeline for when this Fuel Manual update should be completed to address the risk management authority delegations?

Request IR-2:
Please refer to M12665, Exhibit N-5, the Audit Report, Chapter II.B.2. Staffing, Figure II-3: Change in Headcount during Audit Period at NSPI Business Units, Page 26.

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?

Request IR-3:
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.(underlining added)

a) Does Bates White conclude that NSPI's approach in preparing short-term load forecasts during the cyber event cost ratepayers additional costs?
b) There is reference to there 'could' be an overcommitment of resources. Can you confirm if that occurred and, if so, whether there were additional costs charged to the FAM account as a result?

c) If there was an overcommitment of recourses, and there were additional costs charged as a result, does Bates White recommend those additional costs should be recovered for the benefit of ratepayers?

Request IR-4:
Refer to M12665, Exhibit N-5, the Audit Report, Chapter IV, Solid Fuel Procurements and Contracts, Conclusion IV-28, page 121.

a) Did Bates White identify any recommendations to follow from Conclusion IV-28? If so, please provide them.

Request IR-45:
Refer to M12665, Exhibit N-5, the Audit Report, Chapter VI.B.8 Other Biomass Fuel Contracts and Procurement, pp. 170-171, which addresses costs paid by NSPI for fuel handling to mitigate biomass pile combustion, beginning in the last paragraph on page 170:

> PHP made reference to prior "incident reports" by PHP to NSPI informing NSPI of this issue. PHP noted that in managing the issue to date, PHP's efforts had gone beyond the contractual scope associated with its role in operating and maintaining the plant, and that going forward, "more proactive and drastic measures are required to prevent the reoccurences (sic)." PHP proposed a scope of work to mitigate the issue that included moving portions of the bark pile and allowing for ventilation, suggesting the work be done for one week, then reassessed, at an estimated cost of $26,000. The NSPI team moved quickly to get this issue addressed, proposing internal approval for this expense and receiving it on the same date as PHP's email (October 30, 2024).

Bates White further stated on p. 171, 4th paragraph:

> We also observed that NSPI personnel reasonably questioned whether the costs associated with this event should be paid by PHP, rather than NSPI, given PHP's roles and responsibilities under its operations and maintenance services agreement for PHB.

a) Did Bates White reach a conclusion as to whether NSPI or PHP should pay for the cost of moving the hot biomass?
b) Did this incident result in additional costs to the FAM account?
c) Are the "prior incident reports", as referred to by PHP, available to review in this Audit Report or a previous Audit Report ? When did the prior incidents occur?

Request IR-6:
Refer to M12665, Exhibit N-5, the Audit Report, Chapter VI, Biomass Procurements and Supply Management, page 189, Conclusion VI-17.

a) Did Bates White review the contractual terms that excused pursuit of liquidated damages for under-deliveries?
b) Which party confirmed that liquidated damages could not be pursued?

Request IR-7:
Refer to M12665, Exhibit N-5, the Audit Report, Chapter XII, Power Purchases and Sales, Figure XII-3: Output, Cost of COMFIT Resources (by project), page 356, and explain why the information provided for Counter Party HG Wind limited Partnership (Gaetz Brook Wind Farm) has a total cost of $0 per MWh?