2026 **M12665**

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: **The *Public Utilities Act***

IN THE MATTER OF: **A public hearing for Nova Scotia Power Incorporated's Fuel Adjustment Mechanism (FAM) Audit for 2024/2025 by Bates White Economic Consulting, LLC**

INFORMATION REQUESTS

To:	Nova Scotia Power Incorporated ("NSPI")
From:	The Industrial Group
Responses Due:	November 17, 2026
Contact Person	Nancy G. Rubin, K.C. Brianne Rudderham Stewart McKelvey Suite 600-1741 Lower Water Street P.O. Box 997 Halifax NS B3J 2X2 Telephone: (902) 420-3200 / Fax (902) 420-1417

Issued at Halifax, Nova Scotia, this 27th day of October, 2026.

Request IR-1:

In NSPI's Reply Evidence (N-8), it provided its response to each of Bates White's 42 recommendations. Please advise whether NSPI agrees with all the factual Findings and Conclusions listed by Bates White in its Audit Report (N-1). If not, identify and explain the factual Findings and Conclusions with which NSPI disagrees and provide whatever additional "context" which NSPI believes is required.

Request IR-2:

Reference: N-5, Bates White Report, X-16 – Root Cause Analysis Received or in Progress, p. 257 (pdf p.271).

(a) Please provide a copy of the ten root cause analyses (**RCAs**) provided to

Bates White referenced in the Audit Report, as supplemented by third-party experts/vendors.

(b) Please provide copies of any of the four "in progress" RCAs since completed referenced in the Audit Report.

(c) If NSPI is unable or unwilling to provide any completed RCAs, please provide the reason and identify the subject matter of each.

(d) Please provide an update on the status of any of the recommendations from the RCAs that have yet to be fully addressed.

(e) In the prior FAM Audit Decision (*Nova Scotia Power Incorporated (Re),* 2025 NSEB 10, paras 63 and 64), the Board noted that "[i]f NS Power believes a more casual reader needs more context to understand these reports, it can provide it". Please provide any additional operational information, context, or supporting documentation reasonably necessary for the Board and intervenors to understand the reports and adequately assess each of Bates White's Findings, Conclusions, and Recommendations.

Request IR-3:

Reference: N-05(C) Bates White Report, p. 39.

"Emera's Credit Policy recognizes the uniqueness of transacting for solid fuel, exempting solid fuel from compliance with the credit limits that apply to other transactions. NSPI applies certain limits to solid fuel transactions, such as limiting its total commitment to a single mine to no more than [redacted] of its solid fuel requirements and its commitment to a single supplier to no more than [redacted] of its solid fuel requirements, among other limits. …

(Bates White Audit Report)

The quoted sentences concerning the materiality of the cyber event's impact on internal controls, and the specific concentration percentages, are

redacted from the public version of the Audit Report (Exhibit N-05, p. 39) and appear only in the confidential version (Exhibit N-05(C), p. 39).

(a) Please describe each FAM-related control, reconciliation, or review step NSPI was unable to perform, or performed only manually, as a result of the loss of access to Aligne Fuels and Allegro, and for how long each was affected.

(b) Please describe the specific manual workaround procedures NSPI implemented in place of each affected control, who performed them, and what secondary review (if any) was applied to data entered through those manual workarounds.

(c) Please confirm whether NSPI has performed, or intends to perform, a retrospective data-integrity review of information processed through manual workarounds during the period Aligne Fuels and Allegro were unavailable, and provide the results of any such review.

(d) Please confirm whether NSPI exceeded the 25% single-mine or 40% single-supplier concentration limits during the Audit Period, and if so, on how many occasions, for which suppliers/mines, the amount by which each limit was exceeded, and whether CROC and FST approval was obtained in each instance.

(e) Please provide copies of all Records of Approval, CROC memoranda, and FST minutes relating to any instance in which NSPI reached or exceeded the single-mine or single-supplier concentration limits during the Audit Period.

(f) Please describe NSPI's current plan, if any, for managing supplier and mine concentration risk as solid fuel consumption declines toward the 2030 mandated closure of coal-fired generation.

Request IR-4:

Reference: N-05, Bates White Report, p. 54.

"Taken together, NSPI's short-term load forecasts demonstrated bias and high MAPEs in the post-cyber event period. We raised this issue with NSPI, seeking to understand if NSPI intentionally biased their forecasts higher to

allow for a margin of safety and ensure reliability. However, NSPI indicated that it had not done so, and that its calculations of MAPEs were in line with historical results. We could not reconcile NSPI's calculations to our own, and note that we used NSPI's own data to calculate our MAPE values. … [T]his 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." (Bates White Audit Report)

(a) Please provide NSPI's own MAPE calculations for short-term load forecasts for each month of the Audit Period, together with the underlying methodology and data, and explain why NSPI's calculations differ from Bates White's.

(b) Please confirm whether NSPI made any adjustment, deliberate or otherwise, to its short-term load forecasting model or process following the cyber event that would tend to bias forecasts higher, and if so, describe the nature and rationale for that adjustment.

(c) Please quantify the incremental commitment, dispatch, and start-up costs NSPI estimates resulted from forecast error and any related overcommitment of resources during the post-cyber event period.

(d) Please confirm the date on which the Process Information (PI) system's automation of the short-term load forecasting model was fully restored, and describe any interim measures used to validate forecast accuracy while automation was unavailable.

(e) Please provide NSPI's internal correspondence, analysis, or reporting (including any provided to the Board) addressing the increased forecast error rate and its causes during the Audit Period.

Request IR-5:

Reference: Exhibit N-05(C), Bates White Report, pp. 104-105.

"In our view, NSPI acted reasonably in almost all aspects of this process. The one exception is in failing to invite all regular trucking vendors to the October 2024 RFP. This led to the selection of [redacted] which underperformed both in delivering required volumes and in meeting safety standards. … Stepping back, we again note that NSPI incurred approximately

[redacted] ***in incremental trucking costs to keep sufficient inventories at Trenton." (Bates White Audit Report)***

(a) Please explain why NSPI did not invite all regular trucking vendors, including [redacted], to the October 2024 trucking RFP, and identify who made that decision and on what basis.

(b) Please provide copies of the October 2024 trucking RFP, all bid responses received, the evaluation documentation, and the resulting [redacted] service agreement dated November 5, 2024.

(c) Please provide copies of the supplemental trucking RFP issued following [redacted] underperformance, the resulting Pictou County Bulk Carriers Inc. agreement, the December 20, 2024 termination letter to [redacted] safety mitigation plan, and the February 3, 2025 new agreement with [redacted]

(d) Please describe all safety incidents involving [redacted] during the Audit Period, including the broken-axle incident referenced in the Audit Report, and provide NSPI's internal incident reports.

(e) Please confirm what steps NSPI has taken, if any, to prevent a recurrence of the failure to invite all regular, qualified vendors to future solid fuel transportation RFPs.

Request IR-6:

Reference: N-05, Bates White Report, p. 118, Conclusion IV-15.

Preamble: The Bates White report found NSPI selected a higher-cost LSH alternative rather than a lower-cost LSL option, allegedly because of fuel-flexibility benefits. Bates White accepted the rationale but stated: "we are unable to verify that the value of LSH coal relative to LSL coal is sufficient to cover the incremental price."

(a) Please quantify the incremental price NSPI paid to procure LSH coal (including from IMI Fuels) over the lower-cost LSL alternative, and provide the Record of Approval and supporting analysis for this decision.

(b) Please provide NSPI's quantification, if any, of the fuel-flexibility benefit of

LSH coal relative to LSL coal that NSPI relied upon to justify the incremental price.

(c) Please confirm whether NSPI has since reassessed or updated its approach to evaluating fuel-flexibility benefits in future LSH/LSL coal procurement decisions.

Request IR-7:

Reference: N-05, p. 152, Bates White Report, Conclusion V-20.

Preamble: Bates White concluded "that heat rates have been incorrectly stated for Trenton 5… and potentially Trenton 6 and Point Tupper."

(a) Please describe in detail how the fuel blend tracking error at Trenton 5 occurred, when NSPI first discovered it, and the time period over which it affected consumption and heat-rate records.

(b) Please quantify the extent to which consumption of each coal type was overstated or understated as a result of the error, and the resulting impact on reported heat rates for Trenton 5, Trenton 6, and Point Tupper.

(c) Please describe NSPI's root-cause analysis and corrective action plan for the blend tracking error, including any changes made to data entry, review, or reconciliation procedures to prevent recurrence.

(d) Please confirm whether the incorrect heat-rate data was used in any dispatch, forecasting, or FAM cost recovery calculations, and if so, describe any resulting corrections made or contemplated.

(e) NSPI's Reply Evidence states that the Q3 2024 correction "did not change the total quantity of coal consumed by Trenton 5 over the affected period and resulted in no change to the aggregate heat rate reported for Trenton 5," and had "no impact on the reported heat rates for Trenton 6 or Point Tupper," with the correction changing "only the monthly heat rate profile for Trenton 5." Please reconcile this position with Bates White's statement in the Audit Report that heat rates were "incorrectly stated" for Trenton 5 and "potentially" for Trenton 6 and Point Tupper, and confirm whether NSPI and

Bates White are in agreement that no restatement of aggregate heat rates or FAM costs is required.

Request IR-8:

Reference: N-05, Bates White Report, pp.128, 142, 152.

Preamble: The Bates White report notes "severe corrosion damage," "non-uniform load distribution" that "increases internal stresses," and "inner girders [that] are unsafe under both fatigue stresses and section strength," and concluded "there is room for improvement in the inspection and maintenance of the Sydney Coal Railway." (Bates White Audit Report)

(a) Please provide the contractor's investigation report into the October 6, 2025 derailment, the November 2025 [redacted] Structural Assessment Report of the Sydney Coal Railway Bridge, and all related internal correspondence and remediation plans.

(b) Please describe NSPI's current inspection and maintenance program for the Sydney Coal Railway, including frequency of inspections, and any changes made or planned following the derailment and bridge assessment findings.

(c) Please confirm the current cost estimate and timeline for the girder replacement and track alignment work recommended by [redacted], and whether any of this cost is expected to be recovered through the FAM.

(d) Please describe whether any coal deliveries were delayed or disrupted as a result of the derailment or subsequent railway inspection/repair work, and the cost impact, if any, on FAM customers.

(e) NSPI's Reply Evidence states that it "has confirmation from [redacted] that all action items related to the October 6, 2025 derailment… have been completed and closed out" and considers Recommendation V-1 complete. Please provide [redacted] confirmation and an itemized list of the action items closed out, and confirm whether this closure addresses the specific structural deficiencies identified in the [redacted] Structural Assessment Report of the Sydney Coal Railway Bridge (severe corrosion

damage, non-uniform load distribution, and unsafe inner girders), or only the derailment investigation's own action items.

Request IR-9:

Reference: N-05, Bates White Report, pp. 167-168, 188-189.

Preamble: Bates White found that NSPI procured substantial quantities of primary biomass fuel that ultimately exceeded forecast requirements, leading to surplus purchases and incremental costs to FAM customers, and separately identified four concerns with the PHP energy balance process: the Step 1 moisture target assumption, the Step 2 moisture collar, PHP's ability to carry negative bark balances indefinitely and penalty-free, and the chip pricing methodology.

(a) Please provide NSPI's analysis and internal approvals for the fourth quarter 2024 biomass purchases that resulted in a surplus of primary and secondary biomass fuel and quantify the total incremental cost to FAM customers.

(b) Please describe what steps, if any, NSPI has taken or plans to take to reduce the risk of future biomass procurement surpluses, including any changes to the RFP process addressed in Conclusion VI-8 of the Audit Report.

(c) Please provide NSPI's position on each of the four concerns identified with the PHP energy balance process (the Step 1 moisture target, the Step 2 moisture collar, PHP's ability to carry negative bark balances indefinitely and penalty-free, and the chip pricing methodology), including whether NSPI agrees with Bates White's characterization and what changes, if any, NSPI proposes.

(d) Please provide any draft or final amendment to the PHP agreement that would codify the energy balance process, and confirm whether it addresses each of the four concerns identified by Bates White.

Request IR-10:

Reference: Exhibit N-05(C), Bates White Report, pp. 195, 196, 197, 198.

In late 2024, [redacted] ***offered up to*** [redacted] ***…***

NSPI chose not to pursue any [redacted] ***…***

Bates White reviewed this analysis as well as the underlying models and data used. As we will explain in the following paragraphs, we do not share NSPI's conclusions, nor do we necessarily agree with its ultimate decision to reject the offer. …

Clearly, excluding the economic benefits of actively managing an FT contract from the analysis provided an incomplete picture.

(a) Please provide NSPI's complete internal analysis and model of the [redacted] FT offer, including all underlying assumptions (snapshot years used, price forecasts, and treatment of existing FT contract extensions), and the identity of all personnel who reviewed or approved the decision to decline the offer.

(b) Please explain why NSPI did not conduct a formal Record of Authorization for the decision to decline the [redacted] offer, despite NSPI's analysis otherwise following the structure of a formal ROA, and confirm whether NSPI has since changed its internal practice to ensure such decisions are documented in a ROA going forward.

(c) Please respond to each of the four specific criticisms Bates White raises regarding NSPI's analysis: (i) the assumption of no market value for unused capacity; (ii) the use of three snapshot years rather than the full offer term; (iii) extending existing long-term FT contracts beyond their expiration date; and (iv) treating the fixed demand charge/receipt point mismatch as a material risk factor.

(d) Please confirm whether NSPI has reconsidered, or intends to reconsider, its decision not to pursue incremental FT capacity in light of the subsequent Open Seasons described at pp. 198-199 of the Audit Report, and provide NSPI's ROA PL0025 memorandum referenced in that discussion.

(e) Please confirm how NSPI became aware of the [redacted] offer (including the gas supply RFP response in which it was mentioned), and provide all correspondence between NSPI and [redacted] concerning the offer.

(f) NSPI's Reply Evidence accepts Recommendation VII-2 "in part," agreeing to redo its [redacted] analysis using Bates White's prescribed assumptions (a 10-year term from November 1, 2029, explicit inclusion of cost mitigation strategies, and an NPV calculation using the FAM customer discount rate), but states that "allowing existing FT capacity to expire at term is not in the best interest of customers" because that capacity "can be extended for a shorter period, and at a discount." Please provide all analysis supporting NSPI's position that extending existing FT capacity is preferable to allowing it to expire, including the pricing and discount terms NSPI expects would be available, and confirm the expected completion date and methodology for the revised analysis NSPI has committed to complete in Q1 2027.

Request IR-11:

Reference: N-05, Bates White Report, p. 349.

The concerns that we raised about these processes in prior audit reports remain intact.

(a) Please identify the specific steps NSPI has taken since the prior Audit Report to reduce reliance on manual intervention in dispatch decisions, and the current status and expected completion date of the new dispatch optimization software referenced in the Audit Report.

(b) Please explain why the dispatch concerns raised in the 2022-2023 Audit Report remain unresolved, and identify any budget, resourcing, or technical constraints that have delayed remediation.

(c) Please respond to Bates White's finding that day-ahead system marginal costs reported during a large portion of hours in 2024 appear to be understated because emissions adders and the Trenton fuel supply adder may not have been included, and confirm whether NSPI agrees with this finding and what corrective action, if any, NSPI has taken.

(d) Please provide NSPI's internal tracking of Lingan 2 commitment decisions during the Audit Period referenced in the Audit Report's dispatch discussion.

Request IR-12:

Reference: N-8, NSPI Reply Evidence, p. 19.

Preamble: NSPI's Reply Evidence accepts Recommendation XI-2 (that NSPI develop Board-approved written criteria for keeping Lingan 2 operational once committed) but states it "may not be possible to develop a comprehensive and exhaustive set of criteria" and that "a rigid set of criteria… could limit the ability to respond to evolving system conditions and may result in missed economic opportunities for customers."

(a) Please describe the approach NSPI intends to develop by Q4 2026 to "fulfil the spirit" of this recommendation, and explain how that approach will provide the Board with a meaningful basis to assess the prudence of Lingan 2 commitment decisions if no fixed criteria are adopted.

(b) Please also describe, and if possible, quantify the noted anticipated "missed economic opportunities" referenced in NSPI's response to this recommendation.

Reference: N-05(C), Bates White Audit Report, p. 401.

Preamble: Bates White concluded that the parties remain at an impasse regarding the classification of 61.2 GWh of "undelivered" Base Block energy accrued during the August-December 2021 timeframe, and that NSPI's own valuation of the undelivered and makeup NS Block volumes produces a different net result than Bates White's valuation.

(c) Please provide the current status of negotiations, mediation, or any other dispute resolution step under the ECA with NLH regarding the 61.2 GWh classification dispute, and all correspondence exchanged with NLH on this issue since the Audit Report was issued.

(d) Please provide NSPI's complete calculation of the [redacted] million valuation of undelivered Base Block volumes and the [redacted] million valuation of makeup energy, including all pricing assumptions, and identify the specific points of methodological disagreement with Bates White's [redacted] million valuation.

(e) Please explain the basis for NSPI's calculation of a [redacted] million net benefit

to FAM customers from this exercise, as compared to Bates White's calculated net cost of [redacted] million.

(f) Please confirm NSPI's position on whether the disputed volumes should be classified as Block A or Block B energy, and the amount NSPI estimates it would be owed if its position prevails.

Request IR-13:

Reference: N-05, Bates White Audit Report, pp. 427-431.

Preamble: The auditors observed frequent unexecuted hedges and concluded that "[e]nergy markets can change substantially" during those delays.

(a) Please quantify the average and maximum number of weeks that elapsed between PLEXOS analysis, FST approval, and hedge execution during the Audit Period, broken down by hedge type.

(b) Please identify the number of FST-approved hedges that were ultimately not executed during the Audit Period, the reasons each was not executed, and any resulting cost or value impact to FAM customers.

(c) Please describe any process changes NSPI has made, or plans to make, to reduce the interval between hedge analysis, approval, and execution.

Request IR-14:

Reference: N-05, Bates White Audit Report, pp. 456, 462, 471.

We find that the design of the ELIADC tariff is deficient. …

[C]ost savings from real-time active demand control cannot even be measured. …

NSPI has not calculated any 'impacts of variances by PHP' or in fact impacts of any 'adjustments arising from schedule variances.' NSPI has calculated an Off Schedule Charge, or 'penalty' for PHP deviations that is not based on cost impacts of the actual deviation.

(a) Please respond to Bates White's conclusion that the ELIADC tariff design is deficient and that cost savings from real-time active demand control cannot be measured using the current methodology, and describe any

changes NSPI proposes to make to the tariff or its benefit calculation methodology.

(b) Please provide NSPI's calculation methodology for the Off Schedule Charge/penalty for PHP deviations, and confirm whether NSPI agrees that it is not based on the cost impacts of the actual deviation.

(c) Please reconcile the deviation-hour discrepancy identified by Bates White (NSPI identified deviations in 4,339 hours during the Audit Period as compared to Bates White's 7,190 hours) and explain NSPI's position on the appropriate treatment of multi-hour ramping events for deviation-counting purposes.

(d) Please describe the impact of the loss of PortOps from April 25, 2025 to May 25, 2025 on NSPI's ability to produce Day Ahead Schedules for PHP, and confirm what method NSPI used to schedule and bill PHP's load during that period.

(e) Please provide NSPI's calculation of the 2024 ($3.06 million) and 2025 ($4.43 million and $1,522,611 ADC Benefit) ELIADC benefit figures, including all underlying forecast and actual cost and load data.

(f) Bates White recommended that PHP be required to pay an additional [redacted] for Cause Code 5 penalties in 2025. NSPI's Reply Evidence disagrees, stating that "the calculation of ELIADC benefit, as specified by the tariff, has been consistently applied throughout the term of ELIADC" and that the calculation "is accurate and consistently applied." Please provide NSPI's own calculation of the Cause Code 5 penalty for 2025 and explain, with reference to the tariff language, the specific methodological point on which NSPI's calculation differs from Bates White's recommended $177,842.24 addition.

(g) Similarly, Bates White recommended correcting the calculation of off-schedule costs for Cause Code 5 (PDN) violations in the 2025 ELIADC Annual Report to remove positive values, which would increase the total cost by [redacted] to [redacted]. NSPI's Reply Evidence disagrees, asserting that positive-value hours (where PDN deviations unintentionally produce a

more optimal outcome than the forecast) are "a legitimate consequence of actual system conditions differing from forecast conditions" that should be included. Please provide the full set of hourly PDN deviation calculations for 2025, identifying each hour with a positive value, the dollar amount of each, and NSPI's basis for including them in the off-schedule cost calculation rather than treating them as Bates White recommends.

(h) NSPI's Reply Evidence disagrees with Recommendation XV-4 (hourly identification of real-time PHP deviations) and Recommendation XV-5 (measuring deviation size by hour rather than by event), on the basis that "apparent hourly or sub-hourly deviations do not necessarily indicate suboptimal performance" and that "event based assessment better reflects the operational realities of demand response." Given that Bates White's own hourly analysis identified deviations in [redacted] hours compared to NSPI's [redacted] hours (a discrepancy Bates White attributes partly to NSPI's event-based or "ramping" convention), please explain how the Board and intervenors can assess the true frequency and magnitude of PHP deviations, and the associated cost impact on FAM customers, if NSPI continues to report deviations only on an event basis.

Request IR-15:

Reference: N-08, NSPI Reply Evidence, pp. 8-9.

Preamble: Bates White's Audit Report recommended that NSPI introduce a process to ensure all suitable vendors are invited to relevant RFPs (Recommendation IV-3). NSPI's Reply Evidence states only that it "accepts the recommendation to introduce a process to ensure all suitable vendors are invited to relevant RFPs" and considers the recommendation "In Progress," without describing the process or a timeline for its completion.

(a) Please describe, in detail, the specific process NSPI intends to implement to identify and ensure all suitable vendors are invited to relevant solid fuel and biomass RFPs, including how NSPI will compile and maintain a complete vendor list for each fuel/service category.

(b) Please provide the date by which this process is expected to be fully

implemented, and confirm whether it will apply retroactively to any RFPs issued between the close of the Audit Period and implementation.

(c) Please confirm who, within NSPI, is accountable for ensuring the process is followed on each RFP, and what review or sign-off step, if any, will confirm that all suitable vendors were in fact invited before an RFP is issued.

Request IR-16:

Reference: N-08, NSPI Reply Evidence, p. 9.

Preamble: NSPI's Reply Evidence accepts Recommendation IV-4 (that NSPI include additional terms in solid fuel purchase orders) and states only that it "will include additional terms and conditions in future purchase orders," without identifying what those terms are or when the change will take effect.

(a) Please identify each additional term or condition NSPI proposes to add to its solid fuel purchase orders in response to Recommendation IV-4, and explain how each addresses the gap identified in the Audit Report.

(b) Please confirm the date on which NSPI expects to begin including these additional terms, whether the change will apply to all solid fuel purchase orders or only a subset (e.g., by fuel type or vendor), and whether any existing purchase orders will be amended to include them.

(c) Please provide a copy of NSPI's current standard purchase order terms and a redline or summary showing the additional terms and conditions once finalized.

Request IR-17:

Reference: N-08, NSPI Reply Evidence, p. 11.

Preamble: NSPI's Reply Evidence to Recommendation VI-3 (codifying the energy balance process with PHP) refers to a signature page that, on its face, lacks an execution date. In the prior FAM Audit proceeding (M11533), the Board found that it took NS Power nearly two and a half years to codify the energy balance process after Bates White first recommended it, and stated that NS Power's explanation for the delay "leaves much to be

desired," expressing concern about the risk ratepayers faced while the biomass facility operated without that process clearly addressed in its contract with PHP.

(a) Please confirm whether NSPI provided Bates White with the DocuSign Certificate of Completion or audit trail for the Shared Services Agreement amendment referenced in the Audit Report, and if not, please explain.

(b) Please confirm the actual date on which each party executed the amendment, and explain why the version on the record does not display a signature date.

(c) Please discuss the risk(s) to ratepayers arising from the absence of a clear execution date on the document of record, and, what steps NSPI has taken or will take to address that risk with respect to this specific contract.

Request IR-18:

Reference: N-08, NSPI Reply Evidence, p. 11.

Preamble: NSPI's Reply Evidence to Recommendations VI-4 and VI-5 states that NSPI "will consider" further revisions to the energy balance process and the Step 2 moisture target collar, without identifying what expertise or consultation will inform that review, or a timeline distinct from the general "Q4 2026"/"ongoing" references elsewhere in the Reply Evidence.

(a) Please identify what internal personnel, external consultants, or other experts NSPI has consulted or intends to consult, either on its own behalf or in collaboration with PHP, in developing proposed revisions to the energy balance process and the Step 2 moisture target collar, and if none, please explain why not.

(b) Please confirm whether NSPI will consult other stakeholders regarding these revisions, or Bates White, before finalizing any revisions to the energy balance process, and if so, how and when that consultation will occur.

(c) Please confirm the date by which NSPI expects to complete its consideration of these revisions, and describe what risk, if any, FAM customers bear in the interim if the current energy balance process

(including the Step 1 moisture target and Step 2 collar) remains unchanged pending that process.

Request IR-19:

Reference: N-08, NSPI Reply Evidence, pp. 12-13, 17-18; and Confidential Exhibit N-08(C), pp. 12-13, 17.

Preamble: Bates White recommended that NSPI consider an enhancement to capture the time value of PHP bark deficits determined under the energy balance process that carry over into future months. NSPI's Reply Evidence disagrees with this recommendation, stating that assigning a time value to PHP bark deficits "could create incentives for PHP to deliver bark in excess of operational requirements" and that it could expose FAM customers to "time value charges payable to PHP" in the event of a subsequent bark surplus. NSPI's Reply Evidence also separately reconciles a [redacted] versus [redacted] discrepancy in reported OBPS compliance costs under Recommendation X-7.

(a) Please quantify, for each year of the Audit Period, the dollar value of PHP bark deficits that carried over from one month to the next without any time-value adjustment, and the corresponding amount NSPI estimates FAM customers would have paid or been credited had Bates White's recommended time-value enhancement been in place.

(b) Please explain why NSPI believes the risk of PHP over-delivering bark (and the associated handling, congestion, and combustion risks) outweighs the benefit to FAM customers of accurately capturing the time value of money on carried-over bark deficits, and whether NSPI considered an enhancement that would apply the time value only in one direction (e.g., in PHP's favour but not NSPI's, or vice versa) to avoid incentivizing over-delivery.

(c) Please provide the status of NSPI's exploration of recovering bark from the Bear Head site referenced in the Reply Evidence, and confirm whether NSPI has assessed what additional time-value risk to FAM customers this option could create, as NSPI itself acknowledges.

Request IR-20:

Reference: N-08, NSPI Reply Evidence, pp. 15-17.

Preamble: For each of Recommendations X-2 (Tufts Cove 2 forced outage, November 22, 2024), X-3 (Burnside 1 forced outage, March 7, 2024), X-5 (Point Tupper forced outage, June 25, 2023), and X-6 (PHB forced outage, May 31, 2024), Bates White recommended that NSPI provide its estimate of the associated FAM (and, for X-2, non-FAM) costs. NSPI's Reply Evidence accepts each of these recommendations but states only that it "will provide" or "expects the completion of this recommendation in Q4 2026," without providing any estimate, range, or interim figure. NSPI's Reply Evidence takes the same approach to Recommendation X-1 (status update on the remaining 27 Root Cause Analysis recommendations), stating it will provide an update "during the Q4 2026 FAM SWG," and to Recommendation XV-8 (alternative real-time PHP deviation pricing methods), which NSPI proposes to address only "in the following 2027 FAM SWG meeting."

(a) For each of Recommendations X-2, X-3, X-5, and X-6, please provide NSPI's current best estimate (or, if a precise figure cannot yet be given, a reasoned range) of the FAM and non-FAM costs associated with each forced outage, together with the underlying cost data (repair costs, replacement energy costs, and any other cost categories NSPI has used in prior forced-outage cost estimates).

(b) If NSPI maintains that it cannot provide even a preliminary estimate or range for any of Recommendations X-2, X-3, X-5, or X-6 at this time, please identify precisely what information, analysis, invoice, or third-party input is still outstanding for each, and when that information is expected to be available.

(c) With respect to Recommendation X-1, please provide NSPI's current status update on each of the 27 outstanding Root Cause Analysis recommendations now, including, for each, whether it is complete, in progress, or not started, and the expected completion date, rather than deferring this information to the Q4 2026 FAM Small Working Group.

(d) For Response to Recommendation X-2 (page 16), which includes the recommendation to provide both Fuel and non-Fuel costs associated with the November 22, 2024 forced outage at Tufts Cove 2, NSPI has only

indicated it will provide FAM costs. Does NSPI also commit to provide non-FAM costs as included in the recommendation? If not, why not?

(e) For Response to Recommendation X-3 (page 16), which includes the recommendation that NSPI "ensure that FAM customers bear no incremental costs for this outage", NSPI has only indicated that it accepts this recommendation. Please describe the accounting, regulatory, or other measures NSPI will implement to ensure that FAM customers bear no incremental costs arising from the outage.

(f) With respect to Recommendation XV-8, investigation of alternative real-time PHP deviation pricing methods, please describe what steps (data collection, PortOps configuration, or otherwise) are required before NSPI can report preliminary findings, and the earliest date by which NSPI could provide an interim update to the Board and intervenors.

Request IR-21:

Reference: N-08, NSPI Reply Evidence, p. 18.

Preamble: NSPI's Reply Evidence to Recommendations XI-1, which is a carry over of the 2022-2023 Recommendation XI-1, simply states that NSPI accepts this recommendation and that the final report on recommendations is underway and expected to be completed by year end.

(a) Please explain why it has taken NSPI this length of time to comply with this recommendation arising from the 2022-2023 Audit recommendations?

(b) Please provide a substantive summary of the conclusions, actions, and expected recommendations presently anticipated for inclusion in the "final report on recommendations" that is currently underway.