

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF

The Public Utilities Act, R.S.N.S 1989, c. 380, as amended
and the
The Maritime Link Act, S.N.S 2012 c.9
and the
Maritime Link Cost Recovery Process Regulations, N.S. Reg. 189/2012

**REBUTTAL TESTIMONY OF
DANIELLE S. POWERS**

Date: June 25, 2026



TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	THE REDUCTION IN UNDELIVERED VOLUMES THRESHOLD IS NOT IN DISPUTE.....	2
III.	REBUTTAL OF BATES WHITE CONSISTENT DELIVERIES THRESHOLD DISCUSSION.....	3
IV.	BATES WHITE DOES NOT DEMONSTRATE A FAILURE OF THE BOARD'S TEST	16
V.	RESPONSE TO BATES WHITE'S GOOD UTILITY PRACTICE DISCUSSION..	18
VI.	REBUTTAL TO BATES WHITE ADDITIONAL CONSIDERATIONS	21
VII.	THE PURPOSE OF THE HOLDBACK HAS BEEN ACHIEVED	22



I. INTRODUCTION

Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A1. My name is Danielle S. Powers. My business address is 293 Boston Post Road West, Suite 500, Marlborough, Massachusetts 01752.

Q2. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?

A2. I am the Chief Executive Officer of Concentric Energy Advisors, Inc. (“Concentric”). Concentric is a management consulting firm specializing in financial and economic services to the energy industry.

Q3. HAVE YOU PREVIOUSLY PROVIDED EVIDENCE IN THIS PROCEEDING?

A3. Yes, I have filed Direct Evidence on February 23, 2026 with the Nova Scotia Energy Board¹ (“NSEB” or the “Board”) on behalf of NSP Maritime Link Incorporated (“NSPML” or the “Company”) as part of its Review of the NSPML Holdback Mechanism.

Q4. WHAT IS THE PURPOSE OF YOUR REBUTTAL EVIDENCE?

A4. In my Rebuttal Evidence I respond to the Direct Evidence of Bates White Economic Consulting (“Bates White”), prepared by Mr. Vincent Musco who has submitted evidence on behalf of Board Counsel. My rebuttal addresses the issues raised by Bates White related to the Board’s threshold that at least 90% of the NS Block (excluding Make-up Energy), is received during each of 12 consecutive months. Bates White refers to this as the “Consistent Deliveries” threshold. Bates White and I also agree that NSPML has satisfied what it calls the “Reduction in Undelivered Volumes” threshold. Specifically, by the end of March 2024, the net outstanding balance of undelivered energy had been reduced to 9%

¹ On April 1, 2025, the mandates assigned to the Nova Scotia Utility and Review Board (NSUARB) transitioned to the Nova Scotia Energy Board and the Nova Scotia Regulatory and Appeals Board.



1 of the NS Block's contracted annual volume, which is below the 10% threshold established
2 for compliance.

3 **II. THE REDUCTION IN UNDELIVERED VOLUMES THRESHOLD IS NOT IN**
4 **DISPUTE**

5 **Q5. DOES BATES WHITE AGREE THAT NSPML HAS SATISFIED THE**
6 **REDUCTION IN UNDELIVERED VOLUMES THRESHOLD?**

7 A5. Yes, they do. Bates White agrees that NSPML has satisfied the Reduction in Undelivered
8 Volumes threshold. Bates White reviewed the more detailed ledger provided by Nova
9 Scotia Power, Inc. ("NSPI") and agreed with NSPI's calculations. Bates White further
10 concluded that by the end of March 2024, cumulative net undelivered NS Block volumes
11 had been reduced to 9% of the annual contract volume under the Energy and Capacity
12 Agreement, which is below the 10% threshold established by the Board.²

13 **Q6. WHAT DID THE CONSUMER ADVOCATE'S CONSULTANT, JOHN D.**
14 **WILSON, RECOMMEND TO THE BOARD WITH RESPECT TO THE**
15 **UNDELIVERED VOLUMES THRESHOLD AND THE HOLDBACK**
16 **MECHANISM IN GENERAL?**

17 A6. Mr. Wilson states that "NSPML provides evidence that the total deliveries during this
18 period did exceed 90% of the expected Nova Scotia Block Energy, with the net outstanding
19 balance being below 10% in March and April of 2024"³ confirming that the threshold was
20 satisfied. In addition, Mr. Wilson states that "I recommend the Board accept NSPML's
21 request to end the Holdback effective April 2024."⁴

² Evidence of Bates White Economic Consulting on Behalf of the Nova Scotia Energy Board, May 7, 2026, pg. 10-18.

³ Evidence of John. D. Wilson, on Behalf of the Consumer Advocate, May 7, 2026, p. 4, lines 11-13.

⁴ *Ibid*, p. 7, line 9.



1 **Q7. IS THIS AN IMPORTANT POINT IN TERMINATING THE HOLDBACK**
2 **MECHANISM?**

3 A7. Yes, this is significant because one of the two Board-established criteria for terminating
4 the Holdback Mechanism is now resolved by all parties that submitted evidence. The only
5 remaining issue is the application of the Consistent Deliveries threshold and the Board's
6 express relief provisions for good utility practice and exceptional circumstances.

7 **III. REBUTTAL OF BATES WHITE CONSISTENT DELIVERIES THRESHOLD**
8 **DISCUSSION**

9 **Q8. PLEASE SUMMARIZE THE BOARD'S "CONSISTENT DELIVERIES"**
10 **REQUIREMENT?**

11 A8. The Board's Consistent Deliveries requirement, states that "at least 90% of the NS Block,
12 measured in MWh (excluding Make-up Energy), is received during each of 12 consecutive
13 months".⁵ The Board also noted that "NSPML/NS Power may apply to the Board for relief
14 if it considers that good utility practice or exceptional circumstances caused it to fail to
15 meet the consecutive 12-month requirement. If the Board is satisfied that good utility
16 practice or exceptional circumstances existed, it may provide relief and may attach any
17 terms and conditions it deems appropriate at that time."⁶ As stated in my direct testimony,
18 I believe the Company has met this requirement.

19 **Q9. WHAT IS BATES WHITE'S DETERMINATION OF THE CONSISTENT**
20 **DELIVERIES" REQUIREMENT?**

21 A9. Bates White offers no definitive determination as to whether NSPML has met this
22 requirement. Rather than apply the standard, Bates White takes the position that the
23 analysis is inherently subjective because "exceptional circumstances" is undefined⁷.

⁵ October 2023 Decision, page 43 paragraph 94.

⁶ October 2023 Decision, page 43 paragraph 95.

⁷ Evidence of Bates White Economic Consulting on Behalf of the Nova Scotia Energy Board, May 7, 2026, pg. 20-26.



I disagree with this assessment. The Board's decision not to define either "good utility practice" or "exceptional circumstances" was presumably intentional. As discussed in my Direct Testimony, "good utility practice" is expressly defined in the Amended and Restated Joint Operating Agreement ("JOA")⁸, and that definition mirrors the Federal Energy Regulatory Commission's ("FERC's") well-established definition - neither of which is reasonably open to dispute. The Board purposefully left "exceptional circumstances" undefined to allow the parties to demonstrate, through evidence, whether such circumstances exist in a given case. The lack of a formal definition does not transform the inquiry into a subjective one; the evidentiary record provides a sound basis for a consistent and principled evaluation.

Q10. BATES WHITE SPECIFICALLY QUESTIONS EACH OF THE PLANNED AND UNPLANNED OUTAGES NOTED IN NSPML'S EVIDENCE. PLEASE RESPOND TO THESE QUESTIONS FOR EACH OUTAGE THAT BATES WHITE ADDRESSES.

A10. Mr. Musco acknowledges that he is not an engineer. As a result, his evidence does not include an independent engineering assessment of outage causation, transmission system performance, or the application of good utility practice. Rather, those subjects involve technical and operational considerations that are outside the scope of his stated expertise.

Nevertheless, I address each of the Labrador-Island Link ("LIL") outages on which Mr. Musco commented below.

A. July 2023 Outage

Q11. PLEASE DESCRIBE THE JULY 2023 OUTAGE AT ISSUE.

A11. The July 2023 outage was a planned LIL bipole outage. Bates White describes the outage as involving software backup and validation activities, final software updates associated with non-critical punch list items, verification of Supervisory Control and Data Acquisition ("SCADA") points, and testing associated with the electrode line fault locator. Importantly,

⁸ Direct Testimony of Danielle Powers, pg. 12.



1 Bates White acknowledges that absent this outage, deliveries during July 2023 would have
2 exceeded the Board's 90% threshold.⁹

3 **Q12. WHAT DOES MR. MUSCO ASSERT REGARDING THE JULY 2023 OUTAGE?**

4 A12. Mr. Musco observes that the July 2023 outage involved software backup and validation
5 activities, software updates, SCADA point verification, testing associated with the
6 electrode line fault locator, and other post-commissioning activities.¹⁰ Based on the nature
7 of this work, he questions whether the outage should be considered consistent with good
8 utility practice and suggests that some of these activities could or should have been
9 addressed prior to commissioning.

10 **Q13. DO YOU AGREE WITH MR. MUSCO'S ASSESSMENT OF THE JULY 2023**
11 **OUTAGE?**

12 A13. No. While I agree with Mr. Musco's description of the work that was performed during the
13 outage, I do not agree with his conclusion that the outage demonstrates a failure to follow
14 good utility practice or that the work should necessarily have been completed prior to
15 commissioning.

16 **Q14. WHY DO YOU DISAGREE WITH MR. MUSCO'S CONCLUSION?**

17 A14. In my opinion, Musco's analysis does not appropriately distinguish between
18 commissioning activities necessary to place a facility into service and post-commissioning
19 activities undertaken to improve, validate, and optimize facility performance.

20 Large infrastructure projects always generate non-critical punch-list items,
21 software enhancements, testing activities, telemetry refinements, and operational
22 improvements that are completed after commissioning. The existence of such work does
23 not mean the facility was not ready for service. Rather, it reflects the reality that complex
24 facilities continue to be refined and optimized as operating experience is gained.

⁹ Evidence of Bates White Economic Consulting on Behalf of the Nova Scotia Energy Board, May 7, 2026, pg. 23-24.

¹⁰ *Ibid*, pg. 23, line 15-21.



Commissioning establishes that a facility has met the requirements necessary to safely and reliably enter service. It does not mean that every non-critical item has been completed. As a result, it is common for utilities to schedule planned outage windows following commissioning to complete additional testing, software validation, SCADA verification, and other activities intended to improve operational reliability and system performance.

As an example, commissioning a major transmission asset is similar to issuing an occupancy permit for a new office building. Before occupancy is permitted, the building must satisfy all requirements necessary for safe and reliable use. Yet it is common for minor punch-list items, such as touch-up painting, landscaping, signage, or other non-critical work to remain and be completed afterward. The existence of those items does not mean the building was unsafe to occupy or that the occupancy decision was improper. It simply reflects the practical reality that non-critical work can be completed after the facility is placed into service.

Q15. DOES BATES WHITE IDENTIFY ANY SPECIFIC ACTION ASSOCIATED WITH THE JULY 2023 OUTAGE THAT VIOLATED GOOD UTILITY PRACTICE?

A15. No. Bates White discusses the work that occurred¹¹ during the outage but does not identify any activity that should not have been performed, any engineering standard that was violated, or any prudent alternative that should have been pursued. In my opinion, that is because the work performed during the outage is consistent with normal industry practice for High-Voltage Direct Current (“HVDC”) facilities.

Q16. WHAT CONCLUSION DO YOU DRAW FROM THE JULY 2023 OUTAGE?

A16. In my opinion, the July 2023 outage was consistent with good utility practice. The outage was planned, coordinated, and undertaken to perform activities intended to improve

¹¹ Evidence of Bates White Economic Consulting on Behalf of the Nova Scotia Energy Board, May 7, 2026, pg. 23-27.



1 reliability, operational awareness, and system performance. Rather than demonstrating that
2 the facility was not ready for service, the outage demonstrates prudent management of a
3 newly commissioned HVDC facility, and the ongoing execution of post-commissioning
4 activities intended to enhance system performance and reliability.

5 **B. September 2023 Outages**

6 **Q17. PLEASE DESCRIBE THE SEPTEMBER 2023 OUTAGE.**

7 A17. The September 2023 outage was a planned annual maintenance outage involving Pole 1,
8 Pole 2, and associated bipole facilities. The outage included inspections, testing,
9 preventative maintenance activities, transformer inspections, filter inspections, switch
10 maintenance, and other reliability-related work.¹²

11 Bates White acknowledges that absent this outage, deliveries during September
12 2023 would have exceeded the Board's threshold.¹³

13 **Q18. WHAT DOES MR. MUSCO ASSERT REGARDING THE SEPTEMBER 2023**
14 **OUTAGE?**

15 A18. Mr. Musco asserts that the September 2023 Maritime Link outage did not overlap with the
16 LIL outage and therefore questions whether the outages were coordinated as described by
17 the Company.¹⁴ His conclusion is based primarily on operational availability data for the
18 Maritime Link.

19 **Q19. DO YOU AGREE WITH HIS ASSESSMENT?**

20 A19. I agree with Mr. Musco's observation regarding the data presented in Attachment 1 to IR-
21 03. The attachment shows that Maritime Link availability was 500 MW during much of
22 the September 17 through September 26 period while no NS Block energy was being

¹² Direct Testimony of Danille Powers, February 3, 2026, pg. 22.

¹³ Evidence of Bates White Economic Consulting on Behalf of the Nova Scotia Energy Board, May 7, 2026, pg. 26, lines 9-15.

¹⁴ *Ibid*, pg. 28, lines 3-12.



delivered over the Maritime Link.¹⁵ However, I disagree with the conclusion that the Maritime Link outage and Labrador-Island Link ("LIL") outage did not overlap or were not coordinated. Mr. Musco draws the wrong conclusion from these observations.

Q20. WHY DO YOU DISAGREE WITH THAT CONCLUSION?

A20. It is understandable why Mr. Musco, in reviewing the evidence shown in IR-03 Attachment 1, would conclude that there was no overlap between the LIL outage and the Maritime Link outage. Mr. Musco observes that the LIL annual planned outage began September 17, 2023 and ended September 26, 2023 and during that period, the Maritime Link's hourly availability was its full 500 MW in all hours.¹⁶ Mr. Musco goes on to state that only in the September 2024 hours prior to the start of the LIL outage was the Maritime Link's transfer capability below its maximum of 500 MW.¹⁷

However, the data to which Mr. Musco refers only captures a portion of the overall outage sequence.

Q21. CAN YOU DESCRIBE THE OUTAGE SEQUENCE IN MORE DETAIL?

A21. The Maritime Link Pole 1 outage extended from approximately September 3 through September 13. The outage then shifted to Maritime Link Pole 2 from approximately September 13 through September 15. Following completion of that work, Maritime Link availability returned to approximately 500 MW and remained available for nearly the entire remainder of the month.

Meanwhile, the LIL Pole 1 outage remained in effect from September 3 through September 17. On September 17, Newfoundland and Labrador Hydro ("NLH") expanded the outage and removed both LIL poles from service. At that point, energy deliveries over the LIL ceased, which is why the delivery data shows no NS Block transfers during that period. Accordingly, the delivery data clearly reflects the two-pole outage that began on

¹⁵ NSPML (BW) IR-03, Attachment 1.

¹⁶ Evidence of Bates White Economic Consulting on Behalf of the Nova Scotia Energy Board, May 7, 2026, pg. 28, lines 7-10.

¹⁷ *Ibid*, pg. 28, lines 10-12.



1 September 17, but it does not reflect the earlier coordinated single-pole outages because
2 the remaining poles continued providing transfer capability.

3 Thus, there was overlap between the Maritime Link outage activities and the LIL
4 outage activities beginning on September 3 where both the Maritime Link and the LIL had
5 coordinated single pole maintenance outages. During periods when the LIL is operating on
6 a single pole, the Nova Scotia Independent Energy System Operator (“NSIESO”) limits
7 transfers over the Maritime Link to single-pole capability. Accordingly, the LIL single-
8 pole outage established the effective import limit into Nova Scotia. The availability of a
9 second Maritime Link pole would therefore not have increased import capability during
10 this period. After the aligned single pole outages, the fact that Maritime Link availability
11 later returned to 500 MW while the LIL outage continued does not change the fact that the
12 outages were coordinated and overlapped during a significant portion of the maintenance
13 period.

14 **Q22. WHAT CONCLUSION DO YOU DRAW FROM THIS OUTAGE SEQUENCE?**

15 A22. The evidence demonstrates that the Maritime Link and LIL outages were coordinated and
16 did in fact overlap beginning on September 3, 2023. The reason that overlap is not obvious
17 from the delivery data is that single-pole outages do not necessarily eliminate the ability of
18 a bipole HVDC system to continue delivering energy. The continued deliveries during the
19 first phase of the outage therefore reflect the availability of the remaining poles, not the
20 absence of coordinated outage activity.

21 In my opinion, the outage sequence demonstrates prudent outage planning and
22 coordination consistent with good utility practice. Transmission facilities require periodic
23 inspections, testing, maintenance, and replacement of components before failures occur.

24 The outage was planned in advance, coordinated among affected entities, scheduled
25 during a lower-load shoulder period, and undertaken to preserve reliability. Those are all
26 characteristics of prudent utility management.¹⁸

¹⁸ The alignment of the LIL and Maritime Link outages in this instance reflects the circumstances of the planned work and should not be interpreted as a general requirement of good utility practice. Depending on system



Q23. DOES BATES WHITE IDENTIFY ANY IMPROPER MAINTENANCE DECISION ASSOCIATED WITH THE SEPTEMBER 2023 OUTAGE?

A23. No. Bates White does not identify maintenance that should not have been performed, maintenance that was performed incorrectly, or a more prudent outage strategy that should have been adopted. Instead, Bates White primarily questions the coordination of the outage. In my opinion, that does not demonstrate a failure to follow good utility practice.

C. March 2024 Outage

Q24. WHAT OCCURRED IN MARCH 2024 WITH RESPECT TO THE LIL?

A24. In March 2024, NLH scheduled a two-day planned bipole outage on the LIL to facilitate corrective maintenance activities. These activities included repairs to Optical Ground Wire (“OGW”) damaged during an ice storm in Newfoundland, mitigation measures relating to electromagnetic interference affecting certain DC current transformers, and the installation of ground potential rise mitigations intended to address operational limitations affecting the overload capability of the LIL.¹⁹

Q25. HOW WOULD YOU CHARACTERIZE THIS OUTAGE?

A25. I would characterize this outage as a planned maintenance outage undertaken to address identified equipment and system issues and to improve the long-term reliability and operability of the LIL. Planned outages of this nature are a normal aspect of operating and maintaining complex transmission facilities and are consistent with good utility practice.

Q26. WHAT EFFECT DID THE OUTAGE HAVE ON NS BLOCK DELIVERIES?

A26. Based on the evidence filed by NSPML, the two-day planned outage reduced NS Block deliveries during March 2024. However, NSPML demonstrated that absent the planned

conditions and reliability needs, good utility practice may support either aligned or separately scheduled outages, provided they are appropriately coordinated among the affected entities, system operators, and the Regional Reliability Coordinator.

¹⁹ Direct Testimony of Danille Powers, February 3, 2026, pg. 22-23.



1 outage, deliveries for the month would have exceeded the 90% threshold.²⁰ In my view,
2 that fact demonstrates that the shortfall was attributable to a temporary planned
3 maintenance activity rather than an inability of the facilities to deliver the NS Block under
4 normal operating conditions.

5 **Q27. HOW IS THAT FACT SIGNIFICANT?**

6 A27. In my opinion, it is significant because it demonstrates that the March 2024 delivery results
7 were affected by a discrete, planned maintenance outage rather than any fundamental
8 limitation in the capability of the LIL or Maritime Link. Accordingly, I do not view the
9 March 2024 results as inconsistent with the conclusion that the facilities were providing
10 the benefits contemplated by the Board's holdback framework.

11 **D. March/April 2024 Outage**

12 **Q28. PLEASE DESCRIBE THE MARCH/APRIL 2024 ICING EVENT.**

13 A28. The March-April 2024 event involved a forced LIL bipole outage resulting from a
14 significant icing event that caused physical damage to transmission facilities. The event
15 resulted in damage to portions of the electrode line, supporting structures, and the OGW,
16 requiring restoration activities before full service could be restored.

17 The event was not a planned outage, was not undertaken for operational reasons,
18 and was not the result of a discretionary management decision. Rather, it was the result of
19 extraordinary weather conditions that caused physical damage to transmission
20 infrastructure.

21

²⁰ NSPML Application to Review the Holdback Mechanism, February 3, 2026. pg. 22.



Q29. WHAT DOES MR. MUSCO ASSERT REGARDING THE MARCH/ APRIL 2024 OUTAGE?

A29. Mr. Musco asserts that NLH's limited ability to handle certain icing conditions have been known for some time.²¹ He further suggests that whether the March-April 2024 event should be considered an "exceptional circumstance" is subjective.²²

More specifically, Mr. Musco appears to argue that because severe icing conditions are known to occur in Labrador, the March-April 2024 event should not necessarily be viewed as extraordinary or unexpected.²³ He also relies on the Haldar Report²⁴ to suggest that the LIL may have had vulnerabilities to certain icing conditions and therefore questions whether the outage should qualify for relief under the Board's exceptional circumstances provision.

Q30. WHAT IS YOUR OVERALL RESPONSE TO BATES WHITE'S RELIANCE ON THE HALDAR REPORT?

A30. In my opinion, Bates White significantly overstates what the Haldar Report establishes for purposes of this proceeding.

The Haldar Report is fundamentally a reliability assessment. It evaluates the structural reliability of the LIL under various climatological loading scenarios and assesses the probability of failure associated with certain weather conditions. It was not commissioned as a prudence review nor as a design-certification review. Those distinctions are important because Bates White appears to rely upon the report as evidence that the LIL was improperly designed or that the outage should have been anticipated and avoided. The Haldar Report does not reach those conclusions.

²¹ Evidence of Bates White Economic Consulting on Behalf of the Nova Scotia Energy Board, May 7, 2026, pg. 30, lines 18-19.

²² *Ibid*, pg. 33, lines 5-7.

²³ *Ibid*, pg. 33, lines 5-18.

²⁴ Assessment of Labrador Island Transmission Link (LIL) Reliability in Consideration of Climatological Loads Prepared By: Asim Haldar, Ph.D., P. Eng., Principal Investigator, Haldar & Associates Inc., St. John's NL, Report Prepared for Newfoundland and Labrador Hydro, Original: March 10, 2021, Revised: April 11, 2021.



Q31. WHAT DOES THE HALDAR REPORT ACTUALLY FIND?

A31. The Haldar Report evaluates the reliability of the LIL as designed and constructed and identifies potential future enhancements that could improve resilience under certain operating conditions. The report does not conclude that the line was improperly designed, nor that applicable engineering standards in effect at the time of design were violated.

Rather, the report confirms the design basis that existed at the time the line was engineered and then compares aspects of that design to information that became available later, including portions of newer standards and subsequent operating experience. While that type of analysis can be useful in evaluating opportunities to enhance future reliability, it should not be interpreted as a finding that the original design was deficient.

The report also recognizes that transmission line design necessarily involves engineering judgment. Design criteria are established using the standards, climatic data, topographic information, and other information available at the time of design. As a result, some portions of a transmission line may be designed to different loading criteria than others based on local conditions and the engineer's professional judgment. Because weather patterns and terrain do not change abruptly at the boundaries between design sections, there is inevitably some degree of judgement in the design process. The existence of areas that could potentially benefit from additional reinforcement therefore does not establish that the original design was unreasonable or inconsistent with accepted engineering practice.

In a February 4, 2022 filing to the Board, NLH explained that the findings associated with the more extreme value assessment completed by Haldar would impact approximately 2% of LIL structures.²⁵ NLH described this as an important finding because it allowed the utility to take a strategic approach to monitoring and design review.

Q32. WHY IS THAT FINDING IMPORTANT?

A32. It is important because it demonstrates that the issues identified by the Haldar Report were not indicative of a system-wide reliability deficiency affecting the entire LIL. Rather, the

²⁵ Reliability and Resource Adequacy Study Review – Additional Considerations of the Labrador Island Link Reliability Assessment and Outcomes of the Failure Investigation Findings –Additional, February 4, 2022, pg. 2.



1 concerns related to a relatively small subset of structures under extreme loading
2 assumptions.

3 NLH's filing further explained that the Halдар assessment provided a basis for
4 identifying structures that may warrant additional monitoring, inspection, or future
5 engineering review.²⁶ The filing did not characterize the findings as evidence that the LIL
6 was broadly unreliable or incapable of performing its intended function.

7 **Q33. WHAT CONCLUSION DO YOU DRAW FROM THAT EVIDENCE?**

8 A33. In my opinion, the February 4, 2022 filing provides important context for interpreting the
9 Halдар Report's assessment. While Halдар identified certain areas for additional
10 engineering consideration, NLH's subsequent review concluded that the findings
11 associated with the more extreme loading assumptions affected approximately 2% of LIL
12 structures.²⁷ As a result, I do not view the Halдар assessment as evidence of a pervasive
13 reliability concern across the LIL. Rather, it identified a limited number of structures that
14 warranted additional monitoring and evaluation as operational experience was gained.

15 **Q34. DOES THE FACT THAT THE HALDAR REPORT IDENTIFIES POTENTIAL**
16 **IMPROVEMENTS ESTABLISH THAT THE ORIGINAL DESIGN WAS**
17 **DEFICIENT?**

18 A34. No. Utilities routinely evaluate opportunities to improve reliability after significant
19 weather events and as additional operating experience is obtained. The identification of
20 potential improvements is a normal feature of utility asset management.

21 If the identification of a future improvement were sufficient to establish that an
22 existing design was deficient, virtually every reliability enhancement undertaken by a
23 utility would become evidence of imprudence. That is clearly not how utility planning and
24 engineering are evaluated. The existence of potential future improvements therefore does

²⁶ *Ibid.*

²⁷ *Ibid.*



1 not establish that the original design failed to satisfy accepted engineering standards or
2 good utility practice.

3 **Q35. HOW DO YOU RESPOND TO THE ARGUMENT THAT THE LIL OPERATES IN**
4 **A HARSH ENVIRONMENT AND THEREFORE SUCH EVENTS SHOULD NOT**
5 **BE CONSIDERED EXCEPTIONAL?**

6 A35. I do not agree with that reasoning. The fact that a transmission facility operates in a region
7 subject to severe weather does not mean that every severe weather event becomes ordinary
8 or expected. Transmission facilities are designed using engineering standards, historical
9 weather information, return-period assumptions, and reasonable planning criteria. Those
10 standards do not eliminate all risk under every conceivable weather condition.

11 The relevant question is not whether severe weather can occur. The relevant
12 question is whether the actual event and resulting damage were extraordinary relative to
13 normal operating expectations. In my opinion, the answer is yes.

14 **Q36. DOES THE OCCURRENCE OF DAMAGE ESTABLISH THAT THE LIL WAS**
15 **IMPROPERLY DESIGNED OR OPERATED?**

16 A36. No. The occurrence of damage during a severe weather event does not, by itself, establish
17 imprudence, deficient design, or poor operation. The LIL is an approximately 1,100-
18 kilometre transmission facility that traverses a wide range of terrain, elevations, and
19 weather conditions. It is neither practical nor economically reasonable to design every
20 segment of such a facility to withstand every conceivable weather event that could occur
21 along its entire length.

22 Transmission line design requires balancing reliability, resiliency, and
23 affordability. Facilities are designed using applicable standards, available climatic and
24 topographic data, and engineering judgment to achieve an appropriate level of reliability
25 at a reasonable cost to customers. Designing facilities to withstand every conceivable
26 weather event would impose substantial costs on customers while yielding diminishing
27 reliability benefits. The fact that a facility experiences damage during an extraordinary
28 event is not, in itself, evidence that the facility was improperly designed.



Q37. WHY DO YOU BELIEVE THE MARCH/APRIL 2024 EVENT CONSTITUTES AN EXCEPTIONAL CIRCUMSTANCE?

A37. In my opinion, the March-April 2024 event falls squarely within the ordinary meaning of exceptional circumstances. The Board intentionally chose not to define exceptional circumstances in a prescriptive manner. That approach provides the Board with the flexibility necessary to evaluate unusual events based upon the specific facts presented.

The event at issue involved severe weather, extraordinary ice accumulation, physical damage to transmission infrastructure, a forced outage, and restoration activities that were outside the reasonable control of NSPML. Those characteristics distinguish the event from routine operating conditions and support treatment as an exceptional circumstance.

Importantly, the purpose of an exceptional circumstances provision is to recognize that utilities may experience unusual events despite prudent planning, prudent maintenance, and prudent operation. In my opinion, the March-April 2024 event is precisely the type of event the Board intended to address through that provision.

IV. BATES WHITE DOES NOT DEMONSTRATE A FAILURE OF THE BOARD'S TEST

Q38. WHAT IS YOUR OVERALL RESPONSE TO BATES WHITE'S DISCUSSION OF THE CONSISTENT DELIVERIES THRESHOLD?

A38. I disagree with any implication that the evidentiary record does not support termination of the Holdback Mechanism. The Board established a two-part framework for termination of the Holdback Mechanism. First, the Board required that at least 90% of the NS Block, measured in MWh and excluding make-up energy, be received during each of twelve consecutive months. Second, the Board expressly provided that NSPML and NSPI may apply for relief where good utility practice or exceptional circumstances caused a failure to meet the consecutive twelve-month requirement.



1 Importantly, Bates White agrees that NSPML satisfied the Reduction in
2 Undelivered Volumes threshold.²⁸ Bates White also agrees that absent the outage events
3 experienced during July 2023, September 2023, March 2024, and April 2024, deliveries
4 would have exceeded the Board's 90 percent threshold throughout the Compliance Period
5 (May 2023 – April 2024).²⁹

6 Accordingly, the dispute in this proceeding is not whether those outages affected
7 monthly deliveries. Bates White agrees that they did. Rather, the issue before the Board is
8 whether those outages were consistent with good utility practice or resulted from
9 exceptional circumstances. In my opinion, the record demonstrates that they were.

10 **Q39. DOES BATES WHITE CONCLUDE THAT NSPML FAILED TO SATISFY THE**
11 **BOARD'S CONSISTENT DELIVERIES THRESHOLD?**

12 A39. No. This is an important point. Bates White does not conclude that NSPML failed the
13 Board's Consistent Deliveries requirement. Rather, Bates White states that because
14 NSPML relies upon good utility practice and exceptional circumstances, there is a degree
15 of subjectivity and ambiguity that prevents Bates White from reaching a definitive
16 conclusion.³⁰ That is materially different from concluding that NSPML failed the Board's
17 tests. The Board intentionally incorporated good utility practice and exceptional
18 circumstances into its framework. Those provisions necessarily require the exercise of
19 judgment. The fact that judgment is required does not mean that the standard cannot be
20 applied. Rather, it means that the Board must evaluate the evidence and determine whether
21 the facts support relief.

22 In my opinion, when the Board's framework is applied to the facts in this
23 proceeding, the evidence supports the finding that NSPML satisfied the Consistent
24 Deliveries requirement through the operation of the Board's express relief provisions.

²⁸ Evidence of Bates White Economic Consulting on Behalf of the Nova Scotia Energy Board, May 7, 2026, pg. 37, lines 4-7.

²⁹ Evidence of Bates White Economic Consulting on Behalf of the Nova Scotia Energy Board, May 7, 2026, pg. 26, lines 9-15.

³⁰ Evidence of Bates White Economic Consulting on Behalf of the Nova Scotia Energy Board, May 7, 2026, pg. 37, lines 8-19.



Q40. WHY IS THAT DISTINCTION IMPORTANT?

A40. It is important because Bates White frequently identifies questions, concerns, or observations regarding outage events without ultimately demonstrating that NSPML failed the Board's test. The Board's framework does not ask whether an outage occurred. The Board clearly contemplated that outages could occur. If the occurrence of an outage alone were sufficient to deny relief, there would have been little reason for the Board to include good utility practice and exceptional circumstances provisions in its decision. Instead, the Board adopted those provisions specifically to address situations where outages occur despite prudent utility planning, operation, maintenance, and response.

The relevant question therefore is not whether an outage occurred. The relevant question is whether the outage resulted from conduct inconsistent with good utility practice or whether the outage was caused by exceptional circumstances outside the reasonable control of the utility.

In my opinion, Bates White's testimony focuses on the existence of outage events while providing comparatively little evidence demonstrating that the relevant parties acted imprudently.

V. RESPONSE TO BATES WHITE'S GOOD UTILITY PRACTICE DISCUSSION

Q41. DOES BATES WHITE IDENTIFY A SPECIFIC ACTION THAT VIOLATED GOOD UTILITY PRACTICE?

A41. No. Although Bates White raises questions regarding several planned and forced outages that occurred during the Compliance Period, Bates White never identifies a specific act or omission that it contends violated good utility practice.³¹

This is important because good utility practice is not a standard of perfection. Utilities are not expected to operate without outages. Utilities are expected to plan, maintain, operate, inspect, test, repair, and respond to events in a manner consistent with

³¹ Evidence of Bates White Economic Consulting on Behalf of the Nova Scotia Energy Board, May 7, 2026, pg. 23-28.



1 accepted utility practice. In this proceeding, Bates White identifies outages. Bates White
2 does not identify a failure to follow accepted utility practice.

3 **Q42. WHY IS THAT IMPORTANT?**

4 A42. It is important because the existence of an outage is not evidence of imprudence. Electric
5 utilities routinely experience planned outages, forced outages, equipment failures, software
6 updates, inspections, preventative maintenance activities, testing activities, weather-related
7 interruptions, and restoration activities. The existence of those events does not establish
8 that a utility acted imprudently.

9 The relevant inquiry is whether the utility planned, operated, maintained, and
10 responded to those events in a manner consistent with prudent utility practice based on the
11 information available at the time. For example, a utility that proactively schedules
12 maintenance outages to inspect equipment, install software updates, perform testing, or
13 complete reliability improvements is demonstrating good utility practice, not departing
14 from it. Similarly, a utility that responds to severe weather damage by mobilizing
15 restoration crews and implementing contingency measures is typically acting consistent
16 with good utility practice.

17 It is also important to consider the actual impact of the outages. Despite the outages
18 identified by Bates White, the evidence demonstrates that the full NS Block was ultimately
19 delivered and that additional market energy was also provided to Nova Scotia customers.
20 In other words, the outages did not result in a systemic inability to deliver energy consistent
21 with the contractual requirements or the objectives underlying the holdback mechanism.

22 Finally, many of the events discussed by Bates White relate to facilities and
23 activities that were not owned, operated, or maintained by NSPML. To the extent Bates
24 White seeks to draw conclusions regarding compliance with good utility practice, it is
25 important to identify the specific utility action or omission at issue and explain how that
26 action was inconsistent with accepted utility practice. Bates White does not do so.

27 The focus should therefore be on the quality of the decisions and actions taken, and
28 the actual impact on customers, rather than the mere existence of an outage.



Q43. HOW SHOULD THE BOARD EVALUATE THE GOOD UTILITY PRACTICE QUESTION?

A43. In my opinion, the Board should focus on whether the evidence demonstrates that NSPML, failed to act in a manner consistent with accepted utility practice. The Board should ask:

- Was required maintenance ignored?
- Were known reliability risks left unaddressed?
- Were prudent operational practices disregarded?
- Were reliability authorities bypassed?
- Were engineering recommendations ignored?
- Was the response to outage conditions unreasonable?

The record does not demonstrate any of those circumstances. Instead, the record demonstrates planned maintenance outages, coordinated outage scheduling, prudent operating decisions, restoration activities, and responses to extraordinary weather conditions.

In my opinion, those facts support the finding of good utility practice. This conclusion is also consistent with the Board's findings in its Decision regarding the recovery of NSPML's 2026 revenue requirement, in which the Board stated that “risks associated with the Maritime Link appear to have been mitigated and well managed through the design, operation and maintenance of the Maritime Link”.³² That finding is significant because Bates White does not identify any specific action or omission by NSPML that departed from accepted utility practice with respect to the facilities that NSPML owns, operates, and maintains. Moreover, notwithstanding the outage events discussed in this proceeding, the record demonstrates that the NS Block was ultimately delivered and that Nova Scotia customers received the benefits contemplated by the holdback framework. Viewed in that context, the outage events identified by Bates White do not demonstrate imprudence or a failure to comply with good utility practice.

³² Decision of the Nova Scotia Energy Board, 2026 NSEB 10, M12394, PP 188.



VI. REBUTTAL TO BATES WHITE ADDITIONAL CONSIDERATIONS

Q44. DOES BATES WHITE DISCUSS ADDITIONAL CONCERNS REGARDING FUTURE PERFORMANCE OF THE LIL?

A44. Yes. Bates White states that there is evidence that the LIL will continue to be subject to risk and uncertainty that could affect future deliveries over the Maritime Link.³³ In support of this position, Bates White references various NLH filings, planning assumptions, and discussions regarding future reliability risks.³⁴

Q45. HOW DO YOU RESPOND TO THOSE CONCERNS?

A45. In my opinion, Bates White's concerns regarding future performance are not relevant to the Board's test for termination of the Holdback Mechanism. The Board established specific criteria tied to the Compliance Period. Those criteria focus on actual delivery performance, the reduction of deferred energy, and whether any delivery shortfalls resulted from good utility practice or exceptional circumstances. The Board did not require NSPML to demonstrate that future outages would never occur, that future reliability improvements would never be considered, or that the LIL would operate without risk indefinitely. Like all transmission facilities, the LIL will continue to face operational and environmental risks throughout its service life.

Importantly, the Board's framework evaluates actual performance during the Compliance Period, not speculative future conditions. Existing contractual arrangements, regulatory oversight, and utility planning processes remain available to address future performance issues should they arise.

Moreover, the record demonstrates that known reliability issues have been identified, mitigation measures have been developed and implemented, and reliability performance has generally improved over time. Utilities routinely monitor system performance, evaluate emerging risks, and implement corrective actions as operating

³³ Evidence of Bates White Economic Consulting on Behalf of the Nova Scotia Energy Board, May 7, 2026, pg. 34-36.

³⁴ *Ibid.*



1 experience is gained. The existence of ongoing reliability assessments and improvement
2 initiatives should therefore be viewed as evidence of prudent utility management rather
3 than evidence that the facilities are incapable of meeting their intended purpose.

4 Finally, neither the Board's holdback framework nor the underlying contractual
5 arrangements were premised on a standard of perfect performance. The relevant question
6 is whether the facilities delivered the benefits contemplated by the Board and the
7 contractual arrangements, recognizing that outages and maintenance activities will occur
8 over the life of any major transmission facility. In my opinion, the record demonstrates that
9 they did.

10 **Q46. WHY IS THAT IMPORTANT?**

11 A46. It is important because every transmission facility faces some degree of future reliability
12 risk. If the possibility of future outages or future reliability concerns were sufficient to
13 prevent termination of the Holdback Mechanism, the Holdback could never be terminated.
14 That cannot have been the Board's intent when it established objective termination criteria.

15 The Board adopted a performance-based framework and NSPML has demonstrated
16 that the required thresholds have been achieved. The evidence further demonstrates that
17 the outage events at issue were either consistent with good utility practice or resulted from
18 exceptional circumstances. Accordingly, future reliability concerns do not provide a basis
19 for continuing the Holdback Mechanism.

20 **VII. THE PURPOSE OF THE HOLDBACK HAS BEEN ACHIEVED**

21 **Q47. WHY IS IT IMPORTANT TO CONSIDER THE OVERALL PERFORMANCE OF**
22 **THE MARITIME LINK AND LIL DURING THE COMPLIANCE PERIOD?**

23 A47. The purpose of the Holdback Mechanism was to protect customers during a period when
24 the anticipated benefits of the Maritime Link were not close to being realized.

25 The Board's concern was not whether isolated outages might occur. Rather, the
26 Board sought to ensure that customers ultimately received the energy benefits associated
27 with the project. Accordingly, the overall performance of Maritime Link and LIL is directly



1 relevant to whether the circumstances that originally justified continuation of the Holdback
2 still exist.

3 **Q48. WHAT DOES THE RECORD SHOW REGARDING THE PERFORMANCE OF**
4 **THE FACILITIES?**

5 A48. The record demonstrates that the concerns that gave rise to the Holdback Mechanism have
6 been addressed.

7 Following commissioning of the LIL, deferred energy was reduced below the
8 Board's ten percent threshold and subsequently eliminated. Customers ultimately received
9 the energy associated with the NS Block through a combination of direct deliveries and
10 make-up energy. In addition, absent the limited number of outage events discussed in this
11 proceeding, monthly deliveries would have exceeded the Board's threshold throughout the
12 Compliance Period.

13 In my opinion, these outcomes demonstrate that customers are receiving the
14 benefits the Maritime Link was intended to provide.

15 **Q49. IN YOUR OPINION, HAS THE PURPOSE OF THE HOLDBACK BEEN**
16 **ACHIEVED?**

17 A49. Yes. The Holdback Mechanism was implemented because customers were paying
18 Maritime Link costs while receiving materially less energy than anticipated due to delays
19 and operational challenges associated with Newfoundland & Labrador Hydro's LIL. That
20 circumstance has not existed for some time.

21 Customers have been receiving the intended benefits of the facilities. Deferred
22 energy has been eliminated, deliveries have improved substantially, and the facilities are
23 performing the function for which they were constructed.

24 **Q50. WHAT IS YOUR RECOMMENDATION TO THE BOARD?**

25 A50. In my opinion, NSPML has satisfied the requirements established by the Board for
26 termination of the Holdback Mechanism.



1 The reduction in undelivered volumes threshold is undisputed. The outage events
2 at issue were either consistent with good utility practice or resulted from exceptional
3 circumstances. Most importantly, the purpose of the Holdback has been achieved, and
4 customers are receiving the benefits the Board intended to protect.

5 Accordingly, I recommend that the Board approve NSPML's request and terminate
6 the Holdback Mechanism.

7 **Q51. DOES THIS CONCLUDE YOUR TESTIMONY?**

8 A51. Yes.