
Nova Scotia Energy 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

NSPML

Application to Review the Holdback Mechanism (M12696)

Final Reply

July 23, 2026

Table of Contents

1.0 INTRODUCTION	3
2.0 ARGUMENT	11
3.0 CORRECTIONS AND CLARIFICATIONS	32
4.0 CONCLUSION.....	43

1 **1.0 INTRODUCTION**

2
3 NSP Maritime Link Incorporated (NSPML, Company) files this Reply Submission in
4 response to the Submissions of the intervenors in this Application. NSPML repeats and
5 relies on its initial submissions and evidence.

6
7 NSPML submits that the evidence in this Application demonstrates that the conditions
8 necessary to end the Holdback have been met and, also, that customers have been receiving
9 the “original bargain” since LIL Commissioning in April 2023. There is no evidence
10 demonstrating otherwise and that speculative arguments in opposing Submissions do not
11 rebut the evidence supporting the Application. Accordingly, NSPML asks that its
12 Application be allowed.

13
14 In terms of what the record clearly shows:

- 15
16 • Owed energy fell below the 10 percent threshold in March 2024.
- 17 • Regarding the 12-month delivery threshold, all evidence in this proceeding and, to the
18 extent applicable, actions by those with direct knowledge of the assets in question (i.e.,
19 Canada’s Independent Engineer and regional system operators) supports:
- 20 – Planned outages being in accordance with good utility practice.
- 21 – The Labrador Island Link (LIL) being commissioned for service in April 2023 with
22 outstanding punch list requirements that, without exception, are the norm when
23 commissioning complex assets.
- 24 – Post-commissioning punch list, maintenance and repair work is also the norm and
25 not a rationale to claim associated outages are not good utility practice. Specifically,
26 punch list items are not evidence of an asset not being properly commissioned nor
27 is working on punch list, maintenance, upgrades and repair work post
28 commissioning evidence of failure of good utility practice.
- 29 – That the March / April 2024 outage was due to extreme weather conditions that
30 were double the design parameters of the impacted towers and also exceeded design
31 parameters of some of Newfoundland and Labrador Hydro’s (NLH) more robust

1 tower designs. The icing in March / April 2024 was approximately four times
2 greater than prior icing in the same region.

3 – That the Halдар Report does not question the prudence of the initial engineering
4 design of the NLH transmission structures nor does its more extreme value
5 assessment models call into question the potential future structural design integrity
6 of the vast majority (~98%) of NLH towers.

7 – The Halдар Report does not recommend immediate modifications should have been
8 the outcome of its study, but Halдар does support the approach taken by NLH to
9 get additional long-term monitoring data to confirm what work would be beneficial.

10 – The Consumer Advocate (CA) and its expert support the granting of good utility
11 practice and exceptional circumstance relief and acknowledge that delivery levels
12 have clearly met the less than 10 percent threshold, in its recommendation to end
13 the holdback mechanism and return holdback amounts since the Compliance Period
14 to NSPML (with interest).

15 – Bates White and the Small Business Advocate (SBA) also support the fact that
16 delivery levels have met the 10 percent undelivered energy threshold, while
17 indicating that the question of granting relief for the four months that fell below the
18 Nova Scotia Energy Board's (NSEB, Board) 90 percent monthly delivery threshold
19 is not clear and essentially defers to the Board. NSPML believes the information it
20 has put on record up to and including this Reply Submission clearly supports such
21 relief.

22 • NSPML's assets, which include over 330 km of undersea cable and 400 km of above
23 ground transmission lines, are consistently operating with very high availability and
24 there have been no issues raised in regard to the Company's management of the
25 contractual relationship with NLH.

26 • Since Commissioning of the LIL, Nova Scotians have received 100 percent of the
27 contracted energy, with an EqFOR availability of the NS Block being consistent with
28 other NS Power assets and strong capacity availability during the critical winter
29 periods, and deliveries of Make-up Energy during the relevant period have provided
30 greater economic value than a perfectly flat delivery profile.

1 Evidence supports relief for the four months during the proposed Compliance Period that
2 did not meet the Board's 90 percent delivery threshold and also confirms that outages have
3 not resulted in harm to customers. Since Commissioning of the LIL, the original bargain
4 has been and is being delivered, including receipt of 100 percent of the renewable energy
5 contracted for and capacity that is utilized by the System Operator in the same manner as
6 other generating resource. Concerns that initially supported the adoption of the holdback
7 mechanism no longer exist and NSPML submits that it is time for the regulatory oversight
8 of NSPML to be based on management of its assets and its arms-length negotiated
9 contracts. It is clearly appropriate to the end the holdback mechanism.

10
11 The CA and their consultant John Wilson support NSPML's application to terminate the
12 holdback mechanism. In their original evidence, John Wilson concluded:

13
14 NSPML's application is justified as it would have met the Board's first
15 condition, but for four outage events that I find meet the Board's standard
16 for relief as they represent good utility practice (events 1-3) or
17 exceptional circumstances (event 4) and meets the Board's second
18 condition outright.¹

19
20 The CA further supported the Company's Application to terminate the holdback in it's
21 second Submission after reviewing Bates White's evidence and IR responses, and
22 NSPML's Rebuttal evidence:

23
24 The CA has reviewed the Application as filed by NSPML, as well as the
25 responses to Information Requests and responding evidence.

26 On review of the evidence filed, the CA confirms its support for the
27 findings and recommendations made by Mr. Wilson in his evidence filed
28 on behalf of the CA.²

29
30 The Company encourages the NSEB to strongly consider the CA's support of the
31 Application.

¹ Evidence of John Wilson filed May 7, 2026, page 3, lines 6-9.

² Submission from Pink Larken, filed July 9, 2026, page 2.

1 Throughout the remainder of this Reply Submission, the Company will respond to other
2 Submissions by reference to evidence already filed to support the Application and
3 providing clarity to assist the Board in making its decision.
4

5 **1.1 Two Conditions of the Test Have Been Achieved**
6

7 The condition that the net outstanding balance of undelivered energy is less than 10% of
8 the contracted annual amount of the NS Block has been achieved, which the CA's
9 consultant, John Wilson, and the NSEB consultant, Bates White, support.
10

11 The CA reiterated its support in the submission filed on July 9, 2026:
12

13 First, there is no dispute that NSPML met the requirement to ensure that
14 the net outstanding balance of undelivered energy was less than 10%.³
15

16 Bates White in their evidence submitted on May 7, 2026 stated:
17

18 I agree with NSPML: by the end of March 2024, the cumulative net
19 undelivered NS Block was reduced to 9.0% of the annual contract
20 volume under the Energy and Capacity Agreement.⁴
21

22 The SBA did not challenge the Company's assertion that the Undelivered Energy balance
23 requirement of the test was satisfied.⁵
24

25 Bates White went on to conclude that the balance of the Undelivered Energy after the
26 Compliance Period ended did not impact NSPML's successful achievement of the
27 condition:
28

29 Q. Table 5 shows that cumulative net undelivered volumes crept back
30 above 10% of the annual contract volume in September and October

³ Ibid.

⁴ Bates White Evidence, filed May 7, 2026, page 17-18.

⁵ SBA Submission, July 9, 2026, page 3.

1 2024. In your view, does this mean that NSPML failed to meet the
2 Board’s “Reduction in Undelivered Volumes” threshold?

3 A. No. My understanding of the Board’s threshold is that once it is
4 achieved – as it was in March 2024 – there is no stated requirement for
5 cumulative net deliveries to remain under 10% ad infinitum. To the
6 extent the Board intended to ensure that cumulative undelivered volumes
7 remained under 10%, I would note that undelivered volumes again fell
8 below 10% in November 2024, were reduced to effectively zero in
9 December 2024, and have remained at zero or close to zero ever since—
10 this is shown in Table 5 above. What is clear is that in order to end the
11 Holdback mechanism, NSPML must also achieve the other of the
12 Board’s thresholds, which is the subject of the next section.⁶

13
14 The other condition that at least 90% of the NS Block is received during each of 12
15 consecutive months, allowing for relief if good utility practice or exceptional
16 circumstances existed, is supported by the CA who agreed that the four months in the
17 Compliance Period where the 90% threshold was not met qualify for relief due to good
18 utility practices and exceptional circumstances:

19
20 Q: What evidence has NSPML provided to justify its request for relief?

21
22 A: NSPML has identified four events that resulted in the four months in
23 which less than 90% of the NS Block was received.

24
25 1. July 2023 Planned Outage – The outage included Labrador Island Link
26 (LIL) software updates, testing of line fault indicator, and testing of
27 SCADA. Absent the 5-day July planned outage, NSPML states that NS
28 Block deliveries exceeded 97%.

29 2. September 2023 Planned Maintenance – Annual scheduled planned
30 maintenance. Absent the outage, Concentric states that NS Block
31 deliveries exceeded 99%.

32 3. March 2024 Corrective Maintenance – Two-day outage to repair
33 various systems. Absent the corrective maintenance outage (but
34 including the subsequent icing outage), Concentric states that NS Block
35 deliveries exceeded 90%.

36 4. March-April 2024 Unplanned Outage – Ice-accumulation event
37 caused damage to the LIL during an event that exceeded design
38 standards. Absent the outage, Concentric states that NS Block deliveries
39 exceeded 98% in April.

⁶ Bates White Evidence filed May 7, 2026, page 18.

1 In my opinion, these four events meet the Board’s standard for relief as
2 they represent good utility practice (events 1-3) or exceptional
3 circumstances (event 4).⁷
4

5 Again, NSPML encourages the Board to give strong weight to the CA’s support that this
6 condition has been satisfied and in particular that the circumstances around the four months
7 in question are considered to be either good utility practice or exceptional circumstances.
8

9 **1.2 Additional to the Test, Customers Have not Been Harmed**
10

11 The Company submits that it has fully satisfied the two-part test as outlined by the Board.
12 In addition to this, it is requested that the Board consider the fact that customers have not
13 been harmed during the Compliance Period nor afterward up to the date of this filing. The
14 Company acknowledges that the Board’s test does not consider Make-up Energy, and in
15 the evidence presented related to the test, Make-up Energy is excluded. However, when
16 considering the impact on customers, the delivery of Make-up Energy is important as it
17 provides the contracted volumes to customers whether within the same month or after – as
18 that Make-up Energy offsets other NS Power energy requirements.
19

20 For the Compliance Period, when considering Make-up Energy, customers received more
21 than the contracted amount of NS Block energy. Please refer to Table 1. Bates White
22 acknowledged that when considering the entire 12-month period, customers did receive all
23 the amount of energy they were owed:
24

25 Q. What is your overall assessment of NSPML’s request related to the
26 “Consistent Deliveries” threshold?

27 A. It is not my intent nor is it in my scope to provide a technical or
28 engineering review of the outages, their duration, or maintenance or other
29 work completed during those outages. **My assessment begins with the**
30 **data itself, and on that point I agree with NSPML that over the**
31 **Compliance Period, NSPML’s actual NS Block deliveries exceeded**
32 **the 90% threshold.** I also agree with NSPML that but for the LIL
33 outages identified by NSPML in July 2023, September 2023, March

⁷ Evidence of John Wilson filed May 7, 2026, page 5, lines 3-18.

2024, and April 2024, NSPML would have received at least 90% of contracted volumes.⁸ [Emphasis added]

Table 1⁹

	Total MWh (excluding purchased energy)		
	Compliance Period (May 23 - Apr 24)	2024 (Jan - Dec)	2025 (Jan - Dec)
2013 Application Commitment	1,228,447	1,226,000	1,226,000
Base NS Block Delivered	889,213	749,208	917,767
Supplemental Energy Delivered	234,169	233,703	234,754
Make up Delivered	610,891	503,171	73,422
Total Delivered	1,734,273	1,486,082	1,225,943
% Delivered	141%	121%	100%

It is also clear from the contents of Table 2 that the actual deliveries since Commissioning of the LIL are no longer consistent with the circumstances that originally supported the implementation of the holdback mechanism, with full contractual deliveries and reliable winter delivery (capacity) performance.

Table 2¹⁰

Period	NS Block Delivered	Winter Period Block Deliveries Without and (With) Make Up Energy	
2021 (Aug – Dec)	22%	2021/22 = 47%	(51%)
2022	81%	2022/23 = 68%	(86%)
2023	127%	2023/24 = 96%	(143%)
2024	120%	2024/25 = 96%	(122%)
2025 ¹¹	100%	2025/26 = 97%	(103%)

⁸ Bates White Evidence filed May 7, 2026, page 26, lines 7-15.

⁹ Table 1 data is from NSEB IR-006 Attachment 1.

¹⁰ Table 2 data is from NSEB IR-006 Attachment 1.

¹¹ Deliveries in 2025 are at or very close to 100% since that is the first full year after the delivery of all Make-up Energy owed due to the temporary shortfalls after the Acceleration Agreement became effective. By June 2024 all prior period outstanding energy was redelivered as Make-up Energy.

1 The IG in their Submission on July 9, 2026, made statements about customers being
2 harmed due to the delayed energy in the four months during the Compliance Period and in
3 some months in the period following the Compliance Period.¹² In making these statements,
4 the IG did not extend their assessment to include the impact to customers of the Make-up
5 Energy. All of the contracted amounts during the Compliance Period, and in the months
6 that followed, were either delivered in the month or delivered in the days that followed as
7 Make-up Energy. In only one month during the Compliance Period (September 2023) did
8 the Make-up Energy fall into the next month. As a result, customers experienced no loss.
9 Without considering the impact of the delivery of the Make-up Energy, as the IG did in
10 their submission, the full picture (and associated impact) is missing in that customers
11 received what they were owed – just not always within a calendar month. In other words,
12 the original bargain was fulfilled. Additionally, though not a contractual requirement,
13 customers also benefitted economically as, on balance, the value of Make-up Energy since
14 LIL commissioning (generally delivered in colder, winter months) was materially higher
15 than the value of the energy originally scheduled (generally in warmer months)¹³.

16
17 The sections that follow respond further to Intervenor evidence and reinforce that NSPML
18 has satisfied the conditions the Board set to terminate the holdback, customers have
19 received the “original bargain” since LIL commissioning and have not been harmed, and
20 to offer clarity on a variety of claims made in Intervenor Submissions.

¹² Industrial Group Submission, filed July 9, 2026, pages 3, 7, 11,13 and 14.

¹³ NSPML response to SBA IR-5 provides post-Compliance Period data.

1 **2.0 ARGUMENT**

2
3 **2.1 Post-Compliance Period Performance**

4
5 The Industrial Group argues that the Holdback should not be ended, pointing to Base
6 NS Block deliveries in five of the six months following the Compliance Period falling
7 below 90% of contracted amounts.¹⁴ The SBA did not suggest that the holdback should
8 not end, but did suggest that the Board consider the months after the end of the
9 Compliance Period in terms of energy delivery volumes.¹⁵

10
11 To begin, it must be pointed out that the six months after the Compliance Period are not
12 relevant to considering whether NSPML has satisfied the Compliance Period criteria.
13 With this, it is necessary to address the juxtaposition of the Compliance Period
14 requirements set by the Board, with the “original bargain” that is structured under the
15 Commercial Agreements that, as the IG correctly recognizes, are complex in nature.

16
17 The Board set a 12-month Compliance Period requirement in 2023, when NSPML had
18 demonstrated short-term strong performance of deliveries following a significant period
19 of under-delivered energy that preceded commissioning of the LIL. It was in this context
20 that the Board held that:

21
22 In the Board’s opinion, a much longer period of consistent performance
23 is required to show that the Maritime Link is providing energy at levels
24 which were originally contemplated. The Board finds that this period
25 should be 12 consecutive months.¹⁶

26
27 From this came the specific 12-month Compliance Period requirement over which
28 performance would be assessed on a month-to-month basis. Notably, the Board did not
29 order an 18-month period (as the IG seems to invite) or an indefinite period.

¹⁴ IG Submission, July 9, 2026, page 14.

¹⁵ SBA Submission, July 9, 2026, page 5.

¹⁶ NSEB Decision M11009, October 4, 2023, paragraph 93.

1 In addition, in setting the criteria to end the Holdback, it was well known that, due to
2 the period of under-delivery prior to commissioning of the LIL, a material balance of
3 historical Undelivered Energy had accumulated (which was all delivered as Make-up
4 Energy by June 2024). In recognition of this, the Board imposed a condition requiring
5 that, in order to end the Holdback, NSPML achieve a “net outstanding” Undelivered
6 Energy balance of less than 10% of the annual amount of the NS Block. Notably, this
7 was expressed as a point-in-time requirement, not an ongoing requirement.

8
9 NSPML submits that inherent to the Board’s criteria to end the Holdback is that, once
10 those criteria are established and met, the Maritime Link will revert to operating based
11 upon the prudence standard and the “original bargain” as established under the
12 Commercial Agreements. Specifically, under the Commercial Agreements, energy is
13 owed to Nova Scotia customers is based upon an annual amount; but there is no specific
14 month-to-month or even year-to-year fixed delivery commitment contemplated in the
15 original Agreements – such an addition would be a material change to the original
16 Agreements. Further, there is no specific “cap” on Undelivered Energy. Instead, it is
17 recognized that when downward fluctuations in energy deliveries occur, an Undelivered
18 Energy balance will accumulate and NLH will be obligated to deliver Make-up Energy
19 in relative short order. In this case (referencing the post Compliance Period), all energy
20 was redelivered prior to year end 2024 and at a higher economic value¹⁷. To put this
21 another way, customers have received 100 percent of the contracted energy and,
22 although not a contractual requirement and contrary to the IG’s statements relating to
23 ongoing harm, the energy had a higher economic value – resulting in no harm to
24 customers.

25
26 With this, NSPML maintains that it has met the conditions for ending the Holdback,
27 including the 12-month Compliance Period requirements which the Board set in the
28 context of looking for a period of sustained performance.

¹⁷ See NSPML response to SBA IR-5.

1 However, it is clear that the IG’s reference to the six months immediately following the
2 Compliance Period is taken out of context to how the Commercial Agreements operate.
3 With respect to the context, the six months following the Compliance Period were from
4 May – October 2024. These are warmer months where load requirements are lower and
5 planned maintenance is typically scheduled. As well, a review of the data in Table 2
6 illustrates that NS Block deliveries have been strong in the critical winter months – both
7 prior to the referenced post compliance period outages and after. Specifically, since
8 commissioning of the LIL, deliveries of the NS Block (absent consideration of Make-
9 up Energy) were 96% for the winters of 2023/24 and 2024/25, while meeting 97% for
10 the winter of 2025/2026. Additionally, when taking into account Make-up Energy, NS
11 Block deliveries exceeded 100% during the above referenced winter periods and 100%
12 of the NS Block was delivered in each associated calendar year as shown in Table 1.
13 NSPML submits that this is exactly how the “original bargain” was structured and, in
14 fact, it worked to deliver more energy in the cold winter months when such energy is
15 historically most valuable.

16
17 Therefore, while irrelevant with respect to the terms of the Compliance Period itself, the
18 evidence of NSPML’s performance outside of the Compliance Period only further
19 demonstrates that customers are continuing to receive the “original bargain” and there
20 is no reason to continue the Holdback, a regulatory tool implemented to address a
21 concern that no longer exists.

22 23 **2.2 Good Utility Practice**

24 NSPML has cited several apt definitions of good utility practice that all point to a utility
25 acting reasonably in the circumstances. There does not appear to be any substantive
26 disagreement with these definitions.

27
28
29 To this end, NSPML has provided all available information and responded to detailed
30 information requests to demonstrate the reason work was undertaken by NLH on the
31 LIL during the Compliance Period, causing deliveries to fall below 90% in certain

1 months. While the SBA Submission commented that the Company's evidence lacked
2 specificity of what constitutes good utility practice, in fact a great deal of evidence has
3 been submitted to validate that the outages in question can be considered good utility
4 practice. NSPML submitted the direct and rebuttal evidence of Danielle Power of
5 Concentric Energy Advisors, who is an engineer with over 35 years in the public utility
6 industry. NSPML's Application is also supported by the evidence of John Wilson
7 submitted on behalf of the CA. All this evidence supports that the work undertaken in
8 the subject months of the Compliance Period was necessary and appropriate work
9 conducted in accordance with good utility practice, planned and coordinated for periods
10 of lower load.¹⁸ Indeed, the question should really be: Can anyone reasonably suggest
11 that the work should not have been carried out? Of course not.

12
13 The main counter argument appears to relate to unsupported claims that some of the
14 work was really continuation of asset commissioning work that should have been
15 completed prior to commissioning of the asset and, as such, the outage should not be
16 excused. There is no evidence supporting this position. In fact, there are multiple sources
17 of evidence that having punch list items after commissioning a complex mega project
18 is, without exception, the norm. Also, the position that the LIL (with outstanding punch
19 list items) was validly commissioned in April 2023 is not only supported by
20 Concentric's expert evidence, but also by the fact that Canada's Independent Engineer,
21 Newfoundland's system operator and the Regional Coordinator accepted
22 commissioning of the LIL in April 2023 for hand over to the Newfoundland System
23 Operator for system integrated operation. Canada's Independent Engineer is charged
24 with oversight of assets where Canada has guarantees in the range of \$10 billion, while
25 the system entities would only put themselves at jeopardy by accepting assets that are
26 not up to standard.

¹⁸ The SBA Submission on page 3 commented "While NSPML appears to take the position that any type of planned or unplanned outage is part of good utility practice, as long as there is a "technical reason why an outage is required to complete the work identified" ...". NSPML does believe that all outages referenced throughout this Application were part of good utility practice in the Company's opinion and supported by the evidence.

1 Another supporting factor that the LIL was fit for purpose has been the actual delivery
2 performance, with overall EqFOR, as well as winter availability, reliability levels (and
3 therefore functionality) since commissioning are at a level that can be relied upon by the
4 system operator. Yes, there have been planned outages to work on outstanding LIL
5 punch list items, to augment functionality (such as remote operation) and to
6 maintain/repair assets (e.g., DCCT transformers). Doing such work does not mean the
7 asset wasn't properly commissioned and it doesn't mean that customers did not receive
8 what they had contracted for. Nova Scotian's received 100 percent of the NS Block
9 (refer to Table 1) and, as the work was predominantly undertaken in the non-winter
10 period in coordination with system operators, Nova Scotians had NS Block capacity as
11 promised and required.

12
13 Specifically, with respect to the July 2023 outage, the IG has alleged that the software
14 testing is connected to commissioning of the LIL and therefore the good utility practice
15 relief should not be available to NSPML. While of course commissioning related work
16 is not excluded from good utility practice to the extent the allegation is that the software
17 testing ought to have been completed prior to commissioning, as Bates White has also
18 speculated, this is incorrect. As previously referenced, NSPML submits that the work
19 completed was good utility practice and was expected to occur after commissioning by
20 all involved, as all large (complex) infrastructure projects have punch lists that require
21 efforts post commissioning. Additionally, this does not mean that Nova Scotians are not
22 receiving full value. While the Board is not bound by the definition of Good Utility
23 Practice in the JOA, it is noteworthy that this definition contemplates work that occurs
24 from the initial planning phase of a project until the end including disposal – ““Good
25 Utility Practice” means those project management, design, procurement, construction,
26 operation, maintenance, repair, removal and disposal practices, methods, and acts ...”¹⁹

27
28 To reconfirm, the LIL was commissioned on April 14, 2023, as confirmed to the
29 satisfaction of NLH, the System Operator, the Regional Coordinator and by Canada's

¹⁹ Amended and Restated Joint Operations Agreement between Nalcor Energy and Emera, Inc. July 31, 2014, p. 6, as referenced in the Concentric Evidence filed February 3, 2026, page 12.

1 Independent Engineer. The integrity of these certifications has not been called into
2 question by any party involved in that process.

3
4 Further, the fact that the Maritime Link did not need to engage in any post-
5 commissioning outages to perform software testing is of no consequence – the Maritime
6 Link is a different asset that operates on different software than the LIL. Information
7 from NLH and the evidence of Concentric confirms that this work was consistent with
8 post-commissioning activities and the speculation of the IG and, to a lesser extent, Bates
9 White, is of no rebuttal to that established fact. Neither are utility engineering or
10 planning experts, which Bates White acknowledges in stating in its evidence that it was
11 not within their “scope to provide a technical or engineering review of the outages, their
12 duration, or maintenance or other work completed during these outages”²⁰.

13
14 Regarding the September 2023 outage, the main concern from Bates White and
15 reiterated by the IG is that the maintenance between the Maritime Link and the LIL were
16 not coordinated. The Company acknowledges this could have been explained better in
17 the first instance and, as such, was replied to in detail in the Concentric Rebuttal
18 evidence. However, based on the IG’s July 9th Submissions it is apparent that doubt
19 lingers. The following should offer confirmation that the September 2023 planned
20 maintenance outages between the LIL and the Maritime Link were indeed coordinated
21 and that the timing of the bipole outage on the LIL minimized the impact on customers.

22
23 On September 3, both the LIL and the Maritime Link started their respective planned
24 annual maintenance, a fully coordinated effort and schedule. On that day, Pole 1 on the
25 LIL was taken offline and maintenance started. Given single pole availability on the
26 LIL, the System Operator limited imports over the Maritime Link to 250 MW. This
27 reduction is notwithstanding whether the Maritime Link was in mono or bipole
28 operation. Pole 1 on the Maritime Link was taken offline on the same date and
29 maintenance started. Given the Maritime Link was then operating on one pole, its

²⁰ Bates White Evidence, filed May 7, 2026, page 26.

1 availability was 250 MW – matching the System Operator’s limit on imports into Nova
2 Scotia when the LIL is in monopole operation.

3
4 Pole 1 on the Maritime Link was offline until September 13, when the work was
5 completed and Pole 1 was reenergized. On that same day, work started on Pole 2 and it
6 was taken offline until September 15. From September 3 until September 15 availability
7 was 250 MW on the Maritime Link. After September 15, when the work was all
8 complete, availability jumped back to the full 500 MW capacity. At this point the
9 planned annual maintenance on the Maritime Link was complete.

10
11 In Newfoundland, work continued on Pole 1 until September 17. On September 17 until
12 the 26th, NLH took both LIL poles offline, so availability from the LIL dropped to 0
13 MW. On September 26, LIL Pole 1 was reenergized, but Pole 2 remained offline so
14 NLH could complete the remaining work on that Pole. With only one LIL pole
15 energized, the System Operator limit on imports to Nova Scotia was once again set to
16 250 MW – despite the Maritime Link having bipole capability. Pole 2 returned to service
17 on September 29. After September 29, with LIL bipole operational the Maritime Link
18 flow rate was back to full.

19
20 It is important to note that during this planned annual maintenance there was not a
21 requirement for both poles on the Maritime Link to be out of service at the same time.
22 In other words, there was never a plan for the Maritime Link to be unable to deliver
23 energy to Nova Scotia. In contrast, the maintenance planned for the LIL did require a
24 period where both poles needed to be out of service. The work required on the LIL was
25 different than the work required on the Maritime Link.

26
27 During the period from September 3 – 17, and again from September 26 – 29. The
28 system operator limited deliveries over the Maritime Link to 250 MW – notwithstanding
29 whether the Maritime Link was in mono or bi-pole operation. During the Maritime Link
30 pole outages, from September 3 – 15, as there was also a pole outage on the LIL, the
31 energy available from the LIL matched the Maritime Link capability to deliver the

1 energy to Nova Scotia. Customers during this period were not impacted and planned
2 annual maintenance schedules for NSPML and NLH were coordinated. During this
3 period, the timing of the LIL bipole outage did not impact Nova Scotia customers due
4 to the other constraints (namely only one pole available on the LIL from September 3-
5 17, and from September 26-29, limiting flow to 250 MW).

6
7 In terms of the work completed in September 2023 for the planned annual maintenance
8 outage, no party has claimed that the work was not good utility practice. The IG stated
9 in their Submission:

10
11 **While the annual planned maintenance itself is consistent with good**
12 **utility practice**, the failure to align the ML and LIL outages to minimize
13 impact on deliveries is a factor the Board should weigh in assessing
14 whether this month warrants relief.²¹ [Emphasis added]

15
16 The concerns the IG raised about minimizing impact on customers was hopefully
17 resolved above and in Concentric's Rebuttal Evidence. Bates White did not express
18 any concern that the work completed in September 2023 was not aligned with good
19 utility practice, rather, their only observation was that the outages were not
20 coordinated. Again, the explanation above should alleviate those concerns.

21 22 **2.3 The Haldar Report**

23
24 The key facts about the Haldar Report and the associated events can be summarized as
25 follows:

- 26
27 1. The Report did not conclude the LIL was improperly designed;
28 2. The Report did not recommend immediate system-wide modifications;
29 3. Halder supported further long-term monitoring and assessment in order to verify
30 if and where strengthening efforts would be merited;

²¹ IG Submission, filed July 9, 2026, page 10.

- 1 4. Areas identified for potential enhancements were localized and affected a small
2 portion of structures (2% based on a more extreme value assessment); and
3 5. The March / April 2024 icing event was materially more severe than prior events.
4

5 With respect to the March / April 2024 outage caused by a severe ice-storm, there
6 continues to be improper conclusions about the state of the LIL and the actual purpose
7 of, and findings in, the Haldar Report. The design of the LIL is well beyond the scope
8 of this hearing; however, it is important that references to LIL design must be correct.
9 The fact is that the LIL was designed according to engineering standards at the time and
10 the regulator in Newfoundland has not commented otherwise.
11

12 In response to IR-4 (d) and (e) from the IG, Bates White responded as follows:
13

14 (d-e) NSPML provided compelling evidence that **the March-April 2024**
15 **outage was caused by a severe icing event**, as well as evidence that the
16 radial ice and wind conditions experienced **exceeded design**
17 **parameters**. However, unbalanced ice loads due to ice shedding were
18 acknowledged by Newfoundland and Labrador Hydro as a potential
19 contributor to the event, and unbalanced ice loading has contributed to
20 seven of ten ice damage events experienced on the Labrador Island Link.
21 As discussed in the Bates White evidence at pages 31-32, the Haldar
22 Report raised concerns about the **design capability of the LIL to meet**
23 **Canadian Standard Association requirements** and Newfoundland and
24 Labrador Hydro's **own standards** regarding unbalanced ice loads. The
25 Bates White evidence did not provide a technical or engineering review
26 of the outages or LIL design, but acknowledged that the conclusions of
27 the Haldar Report about the **sufficiency of the LIL design** do not support
28 NSPML's position that the March-April 2024 outage was excused by
29 extraordinary circumstances.²² [Emphasis added]

30
31 Following on this, the IG Submission included the following:
32

33 The key question is whether the event qualifies as “exceptional
34 circumstances”, given the context of **pre-existing knowledge about the**
35 **LIL's vulnerabilities** to unbalanced ice loading.

²² Bates White response to IG IR-4 (d) and (e), filed June 11, 2026.

1 In response to Industrial Group IR-9, NSPML has produced the LIL
2 Strengthening Overview Report of NL Hydro which confirms that in
3 total, there have been ten failure events on L3501/2 over the past five
4 years; each was a localized issue affecting a small number of specific
5 transmission line components. Investigations determined that the root
6 cause of the damage for seven of the 10 events was overloading due to
7 significant ice accumulation and unbalanced ice loads from ice shedding.
8 The March/April 2024 icing event was not the first, second, or even third
9 time the LIL has **experienced structural failure from ice loading**. Prior
10 significant events occurred in January 2021, December 2022, and
11 February 2024.

12 The line had **known design vulnerabilities** to unbalanced ice loading,
13 which were acknowledged by NLH's expert in the Haldar Report
14 completed March 2021. NLH had **identified structural vulnerabilities**
15 in the LIL and assessed LIL reliability in consideration of climatological
16 conditions. As confirmed in Bates White's evidence, the Haldar study
17 *"concluded that the LIL lacked structural integrity to handle certain*
18 *circumstances of unbalanced icing load, a phenomenon that occurs due*
19 *to 'unequal ice accumulations or shedding in adjacent spans' that can*
20 *'include critical out-of-balance longitudinal loads on the supports.'"*
21 While further study may have been completed, the issue is that the
22 **vulnerabilities were known and identified but not fully remediated**
23 **before the March-April 2024 event**.

24 Given the known concerns around the insufficiency of the LIL's design,
25 the multiple prior icing events before April 2024, and the possibility that
26 ice shedding causing unbalanced ice loads on the structures contributed
27 to the damage of the towers, relief is not warranted for NSPML's failure
28 to meet the Consistent Deliveries threshold in April 2024. The Industrial
29 Group supports **Bates White's conclusion that the findings in the**
30 **Haldar Report do not support NSPML's position that the March–**
31 **April 2024 outage was excused by exceptional circumstances**.

32 Relief for "exceptional circumstances" should be just that — exceptional.
33 It should not be granted for foreseeable events where there are known
34 design flaws in the line.²³ [Emphasis added]

35
36 To paraphrase the IG's position, given the Haldar Report and other previous
37 transmission outages, the IG claims that NLH had been aware of transmission
38 vulnerabilities for a long enough period that remediation efforts should have been
39 carried out in advance of the March 2024 ice and windstorm and, if such work was
40 carried out, the outage would have been avoided. NSPML strongly disagrees with this

²³ IG Submission filed July 9, 2026 pages 12-13.

1 contention, with the characterization of the Haldar Report, and with the inference that
2 the extent of prior damage demanded immediate physical action by NLH on the
3 complete line.

4 5 ***Purpose of the Haldar Report***

6 NLH engaged Haldar and Associates to:

7
8 ... identify the overall structural reliability of the LIL with respect to the
9 **probability of failure** based on the integrity of the system components
10 and considering climatological conditions which could **potentially**
11 **result** in an extended bi-pole outage. The assessment considered the as-
12 built design with respect to CSA 60826 and the overall **likelihood of**
13 **failure** of the LIL with respect to both glaze and rime icing events.²⁴
14 [Emphasis added]

15
16 Bates White and the IG reference the Haldar Report as if it is a summary of LIL actual
17 performance and a timeline of past failures. That is not what the Report presents. Rather
18 it is a theoretical engineering study that uses the as-built information about the LIL and
19 applies assumptions and scenarios to determine what may happen in the future. The
20 words “probability”, “potentially” and “likelihood” reflect this. Bates White above
21 references “conclusions of the Haldar Report about the **sufficiency of the LIL design**”
22 which is not the proper way to describe the conclusions of the Report. Haldar focuses
23 on the probability of failure in theoretical scenarios – situations that may never occur -
24 not on LIL design sufficiency.

25 26 ***Additional Reliability Reports***

27 Before the Haldar Report, Nalcor engaged SNC Lavalin to assess the reliability of the
28 LIL support structures and the outcome was positive in that assessment.²⁵ Following
29 that, EFLA Consulting Engineers were engaged to expand the reliability assessment to
30 include cable systems in addition to the support structures against the CSA standards,

²⁴ Labrador-Island Link Reliability Assessment –Summary Report, NLH, March 12, 2021, included in response to Bates White IR-15 Attachment 1, page 17 of 134.

²⁵ Ibid., page 10 of 134

1 which also resulted in a positive assessment.²⁶ Interestingly, and indicative of the
2 challenges in interpreting technical engineering reports, SNC Lavalin subsequently did
3 a peer assessment of the EFLA results to qualify the differences in the two reports. Not
4 surprisingly, the reasons for the differences are due to different inputs and different
5 calculation methods based on each of the engineer's interpretation of the CSA
6 standards.²⁷

7
8 This is also a caution in non-engineers relying on the outcome of a single report (i.e. the
9 Haldar Report) as there are many variables that influence the outcome and assessment,
10 including the interpretation of individual engineers.

11 12 *Standards Used in the Haldar Report*

13 As quoted above, Bates White noted “the Haldar Report raised concerns about the
14 **design capability of the LIL to meet Canadian Standard Association requirements**
15 and Newfoundland and Labrador Hydro’s **own standards** regarding unbalanced ice
16 loads”.²⁸ More context is required to understand the reference to Canadian Standard
17 Association (CSA) requirements.

18
19 Haldar sometimes compares the LIL to CSA 60826 (which was the overall objective of
20 the Report), but not always. First, as noted by NLH in the March 12, 2021 letter “As
21 the CSA 60826 code was in infancy stage at the time of the LIL design, Nalcor Energy
22 referenced CSA 60826 while considering local conditions based on 50 years of
23 operating experience.”²⁹ Haldar assessed the components of the LIL against the CSA
24 60826 which was not fully embraced at the time of LIL design. Rather, the LIL design
25 more heavily relied on CSA 22.3 which was the accepted standard at the time. In terms
26 of NLHs own design standards, which Bates White noted were not followed in LIL
27 design, NLH explained in the March 12, 2021 letter “The original design of the LIL was

²⁶ Ibid.

²⁷ Ibid.

²⁸ Bates White response to IG IR-4 (d) and (e), filed June 11, 2026.

²⁹ Labrador-Island Link Reliability Assessment –Summary Report, NLH, March 12, 2021, included in response to Bates White IR-15 Attachment 1, page 9 of 134.

1 considered to be equal to or greater than Hydro’s historical transmission line designs,
2 which are deemed to have a 1:50 year return period based on historical design practice
3 governed by the earlier editions of the CSA 22.3 No.1 standard and historical operating
4 experience. This was supplemented by Lower Churchill Project specific model and test
5 programs targeted towards the site-specific location of the LIL.”³⁰ In other words,
6 Nalcor Energy had the foresight in the original design to consider their past design
7 standards but enhance that knowledge by overlaying an assessment of the actual
8 geography the LIL would traverse. Instead of sticking to past practice, they drew on
9 experience and applied new knowledge to plan for a better outcome.

10
11 ***Haldar Recommended to go Slow and Collect Actual Geographic Specific Data***

12 The Haldar Report indicates that under its more extreme value assessment only 2% of
13 towers are potentially in need of reinforcement in anticipation of potential storms that
14 may exceed existing design limits.³¹ However, the Haldar Report also recommended
15 that additional data be collected prior to undertaking any modifications, work that NLH
16 is undertaking. As NLH has summarized:

17
18 There have been 10 failure events on L3501/2 [the LIL] over the past
19 five years. These failures were localized issues, affecting a small number
20 of transmission line components. Due to the importance of L3501/2 to
21 the provincial energy grid and the need to understand the line’s
22 performance, investigations have been completed for each event to
23 recommend actions to mitigate further damage to the line. Investigations
24 determined that the root cause of the damage for seven of the 10 events
25 was overloading due to significant ice accumulation and unbalanced ice
26 loads from ice shedding. Recommendations for these investigations were
27 analyzed as part of a 2024-2025 capital project, which implemented
28 some of the recommended scope items, while others required additional
29 analysis and design development. These remaining recommendations are
30 proposed to be actioned in a 2026-2028 capital project. The project scope
31 includes reinforcement of the tower peak and electrode crossarms,
32 reinforcement of the OPGW to plate connection, installation of modified
33 electrode insulator assemblies, and removing section of the electrode
34 conductor from the towers for installation on wood poles. These
35 solutions will be used on different sections of the line as required. The

³⁰ Ibid.

³¹ BW IR-15 Attachment 1, pg. 91.

1 work proposed in the project will increase the reliability of the LIL and
2 will decrease the risk of failure due to ice loading.”³²
3

4 Within this context, the March 2024 storm was only the second outage event due to ice
5 and wind identified in Southern Labrador, and the first since commissioning of the LIL.
6 The first outage was minor, limited to two damaged OPGW peaks, and occurred in
7 December of 2022. The March 2024 storm was the largest cumulative wind and ice
8 storm of those that resulted in damage to the LIL³³ and involved conditions that twice
9 exceeded design limits. The ice storm happened as work has been carried out by NLH
10 to analyze and, as appropriate based on further analysis, complete appropriate
11 reinforcements on specific portions of the LIL.
12

13 *Pre-2024 Weather Events Affecting the LIL*

14 As the above ground portion of the LIL was constructed over eight years ago, it is not
15 surprising that there have been some weather impacts. As noted in NSPML’s
16 submissions (including Concentric’s detailed evidence), weather impacts on power
17 infrastructure are common in any climate, let alone rural Labrador. It is also noteworthy
18 that none of the outages were complete transmission tower failures – the damage has
19 been to components attached to the towers, with most outages being of relatively short
20 duration and relatively minor damage.³⁴
21

22 Again, the damage in March / April 2024 was the second event in Southern Labrador,
23 with the first being relatively minor (damage to two OPGW peaks) experienced in
24 December 2022. The March / April event was far more extreme (79 to 99 mm of ice
25 thickness and weight of 25.2-37.4 kg/m as compared to 20 to 30 mm thickness and
26 weight of 2.0-3.8 kg/m in December 2022)³⁵ and so was the resulting damage that
27 impacted 16 crossarms, 17 conductors and 4 OPGW peaks.³⁶

³² Response to IG IR-9, Attachment 1, page 22 of 195.

³³ Ibid, page 14 of 195.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

1 This review of past weather facts is contradictory to the IG statement, as quoted above,
2 “The March/April 2024 icing event was not the first, second, or even third time the LIL
3 has **experienced structural failure from ice loading**. Prior significant events occurred
4 in January 2021, December 2022, and February 2024.”³⁷ The impact on the southern
5 Labrador portion of the LIL with damage to two OPGW peaks cannot be described as
6 “structural failure” prior to March / April 2024.

7
8 ***The Haldar Report Does Not Serve to Counter Exceptional Circumstances***

9 The IG on pages 12 and 13 of their Submission tries to conclude that because NLH knew
10 about prior icing events that caused damage and did not fully remediate the
11 “vulnerabilities” on the whole of the system prior to the March / April 2024 events the
12 situation should not be considered an extreme circumstance. The IG references the
13 Haldar Report as if it is an undeniable criticism of LIL design and reliability. NSPML
14 disagrees with this position, and in fact, the evidence shows that not only was the
15 weather extreme, but NLH throughout acted prudently, especially in its considered
16 response to the Haldar Report. The Haldar Report, as explained above, focuses on the
17 probability of failure in theoretical scenarios – situations that may never occur - and not
18 on LIL design sufficiency.

19
20 The Haldar Report focused on a small portion of the LIL overland transmission line as
21 described by NLH in its February 4, 2022 letter to the PUB and referenced in the
22 Concentric Rebuttal³⁸:

23
24 It is noted that the findings associated with the more extreme value
25 assessment completed by Haldar & Associates would impact
26 approximately 2% of LIL structures. This important finding allows
27 Hydro to take a strategic approach in terms of monitoring and design
28 review.

29 ...

30 Through operational experience and strategic monitoring, Hydro will
31 gain an understanding of effectiveness of potential investments to

³⁷ IG Submission, filed July 9, 2026, page 12.

³⁸ Rebuttal Testimony of Danielle S. Powers, filed June 25, 2026, pages 12-15.

1 upgrade the LIL structures. Such investments would be made after
2 consideration of risk and value-based assessments that include other
3 critical factors that impact system reliability. ...
4

5 While the IG references numerous prior “significant events”, the reality is that most
6 icing events were minor with just one other event in southern Labrador in December
7 2022 that damaged two OPGW Peaks. The December 2022 event that impacted this
8 part of the line cannot be described as significant. In no incident was there a catastrophic
9 structure failure, instead the damage that has happened was repaired relatively quickly
10 considering the remote locations. In fact, the LIL spans approximately 1,100 km and
11 the focus of reliability questions is on 2% of the towers, potentially less, pending the
12 final outcome of NLH’s data driven assessment.
13

14 The weather causing the issues in March / April 2024 was not seen before, particularly
15 in the area where the damage occurred. As reported in prior evidence, the ice was
16 exceptionally thick and dense/heavy to the point where damage was likely to have
17 occurred even if that segment of the LIL was built to a different standard. What
18 happened to that small portion of the LIL in March / April was an extreme event
19 followed by a quick response to get energy flowing to Nova Scotia, as a prudent utility
20 would be expected to do.
21

22 In summary, The Haldar Report did not represent what the IG and Bates White
23 concluded. The LIL design is not in question, rather the Report looks into the future to
24 inform what reliability improvements can be made based on the engineering modelling.
25 As a separate issue, the past weather events on the LIL in southern Labrador were minor
26 before the March / April 2024 event, as evidenced by comparing the ice thickness and
27 weight. This more detailed insight, which offers that the Haldar Report was not a past
28 critique of LIL design or vulnerabilities, decouples the Haldar Report from the question
29 of whether the March/April weather was extreme. The company submits, based on the
30 data presented, that the weather should be considered extreme and relief granted for that
31 event.

1 *NLH Response to Reliability Reports*

2 NLH has not ignored reliability management for the LIL. In the first quote above from
3 the February 4, 2022 letter it is clear that NLH is taking a well-reasoned approach to
4 collect data and focus on where the biggest opportunities are to improve reliability (as
5 recommended in the Halдар Report), develop a capital plan to complete the work and in
6 the short term make improvements that make sense. This appears to be a reasonable
7 plan to properly manage a utility asset.

8
9 NLH is taking a prudent approach in their response to deliver the best long-term
10 outcome for LIL reliability, without overacting in the short-term. As referenced at page
11 3 of NLH's February 4, 2022 letter to its regulator³⁹:

12
13 Halдар & Associates has indicated that, before a decision is made to use
14 the combined wind and ice loading data ... as a basis to perform
15 modifications to the 2% of towers that do not meet the increased load
16 requirements, additional data should be collected over the long term. This
17 will ensure that any potential modifications are based on a consistent
18 statistical approach and provide reliable design load envelope data
19 validated by observed ice loads from past failure events in these regions
20 and future data collected through increased monitoring.

21
22 The Halдар Report supports the approach NLH has proposed and as NLH has presented
23 to its regulator. There is no evidence that leads to an opposite conclusion. Rather, in
24 response to the Halдар Report, NLH planned accordingly and in response to the extreme
25 wind and ice storm in a localized area, NLH promptly and prudently carried out the
26 repair work. NSPML maintains, as the evidence confirms, that the storm, the strongest
27 experienced to date, was exceptional and that the ultimate repair efforts were in
28 accordance with good utility practice.

³⁹ Ibid.

2.4 Exceptional Circumstances

NSPML has explained the exceptional nature of the March 2024 storm that resulted in a LIL outage at length. Respectfully, the word “exceptional” is not analogous to the term “force majeure”. While a “force majeure” is a contractual term typically defined within a specific contract, the general intent is to excuse a party from being responsible for independent issues that are beyond human foresight and skill.⁴⁰ While Bates White referenced force majeure in their Evidence, it was only as an example of a situation where extreme weather can excuse performance. Bates White did not suggest that force majeure should be the standard or test applied in this Application as stated in the IG Submission.

In the case of a piece of infrastructure, a utility and regulator must always balance cost and risk. In other words, it is certainly possible to design a piece of infrastructure against virtually any foreseeable risk, but at what cost? The same balance had to be carried out in deciding how much of the ML subsea cable should initially be buried.

In the case of the LIL, it was designed and built by Nalcor and is now operated by NLH. It was designed to the engineering standards at the time, but no one would suggest it was built to withstand every foreseeable risk. The IG in IR-4 asked the following of Bates White:

In Bates White’s view, can weather outages attributable to design limitations qualify as “exceptional” circumstances?

Bates White responded:

Yes. All assets have design limitations, and no asset will be 100% reliable in all potential weather conditions.⁴¹

⁴⁰ E.g. see [Braebury Development Corporation v. Gap \(Canada\) Inc., 2021 ONSC 6210](#) at para. 8

⁴¹ Bates White Responses to IG IRs, filed June 11, 2025.

1 Indeed, one could reasonably question the costs of building the entire LIL to achieve
2 higher reliability standards only to find now, as confirmed by the Haldar Report, that
3 only 2% of towers may require such reinforcement under their more extreme value
4 assumptions.⁴² Additionally, despite the significant public record in Newfoundland &
5 Labrador relating to the Churchill Falls Project, NLH's regulator has not issued any
6 findings that conclude the original LIL design was improper.

7
8 The "exceptional" question cannot be based in avoiding all risks that can be humanly
9 foreseen. That would set an unachievable standard that would exponentially increase
10 costs for potentially marginal reliability gains. Rather, the question should remain
11 focused on whether the issue was out of the ordinary or rare. The evidence demonstrates,
12 without question, that the cumulative severity of the storm experienced in March 2024
13 was an out of the ordinary and rare occurrence.

14 15 **2.5 WACC**

16
17 NSPML maintains that WACC should be recovered on all holdback funds withheld
18 since May 1, 2024, when the Holdback cessation conditions were satisfied. This reflects
19 the true carrying cost of the capital and as already submitted, is the established
20 mechanism in place for funds owing to or from customers. There is no evidence in this
21 proceeding, nor were there challenges to NSPML's oral evidence in the 2026
22 Assessment Hearing when the Company's senior executive provided an explanation of
23 the same, that the time taken to bring this Application was due to a combination of finite
24 resources and competing priorities. The time taken did allowed for collection of
25 appropriate evidence to properly consider this Application and better enable NSPML's
26 resources to support other regulatory requirements and operational requirements
27 including, but not limited to, the 2026 Assessment process and the management of the
28 material modifications to incorporate a two-stage rock protection campaign undertaken
29 to create additional benefit to customers while increasing risk to the Company.

⁴² Of note is that mitigation efforts set out by NLH do not involve replacement of the underlying transmission towers but are designed to augment the attachments to said structures.

1 Additionally, NSPML submits that applying WACC results in the same impact to
2 customers as if the funds were provided back to NSPML immediately after each month
3 in question.

4
5 In the alternative and if the Board is not inclined to award the full cost of capital during
6 the period between completion of the Compliance Period to the ultimate Board
7 determination, NSPML submits that WACC should still be awarded for a majority of
8 this period and interest, in the manner proposed by the CA, for the remaining portion.
9 In other words, even if the Board does not accept that NSPML was reasonable in
10 bringing this Application 20 months after the Compliance Period, it must still be
11 accepted that NSPML would never have been in a position to bring this Application
12 immediately after the Compliance Period – especially given that the vast majority of
13 relevant information had to come from NLH and NS Power and that the regulatory
14 review timeline would not have been impacted. Even in the best of circumstances, it
15 would have taken many months for NSPML to collect and analyse all updated applicable
16 data and information to confirm its position and prepare the necessary information and
17 evidence to put this Application before the Board.

18
19 **2.6 Alternative Mitigation Mechanism if Holdback Continued**

20
21 As set out in NSPML's Application, NSPML maintains that the Holdback should end
22 as of March 1, 2024. If the Board is not prepared to end the Holdback, NSPML submits
23 that an updated mitigation mechanism needs to be created and applied back to July 2024.

24
25 This position was explained in NSPML's Application and in its June 2024 letter to the
26 Board that was drafted in consultation with Board Counsel assigned to this matter. No
27 party to this proceeding (nor anyone at the time of the June 2024 letter) objected to
28 NSPML's proposal in this regard.

29
30 In addition, given that the evidence in this proceeding supports post Compliance Period
31 redeliveries being more valuable to customers than if the energy was provided in a

1 perfectly uniform profile and given reliability levels when required (i.e., the winter
2 period), NSPML requests that, even if the Board decides to continue some form of
3 holdback mechanism with some form of mitigation mechanism, it would be more than
4 reasonable to assume that such a mechanism would not result in a disallowance under
5 the circumstances experienced since the Compliance Period – where customers are
6 shown to be better off. As such, it is also reasonable for the Board to refund the holdback
7 amounts since the Compliance Period prior to completion of a process to redesign a
8 mitigation mechanism – one that the Company suggests should not result in a
9 disallowance where there has been no harm.

1 **3.0 CORRECTIONS AND CLARIFICATIONS**

2
3 Since Submissions from Intervenors are exhibits and may be referenced in future
4 proceedings, NSPML believes it is important to respond to or add additional context in
5 relation to a number of points in recent Submissions. More importantly, the Company
6 wants to make sure the Board has access to key facts in making its decision in this
7 matter.
8

9 **3.1 Benefits Projected in 2017 were in the range of \$15 million, not \$120 million**

10
11 The IG Submission on page 3 inaccurately compares the estimated gross value of energy
12 (\$120 million)⁴³ with the estimated net benefit of approximately \$15 million. NSPML
13 acknowledges that actual benefits during the early operations of the Maritime Link fell
14 short of forecasted net benefits, but the representation of the variance should be based
15 on an apples-to-apples comparison.
16

17 **3.2 While Bates White did not Recommend the Board grant NSPML's Request to**
18 **end the Holdback, they also did not Recommend the Board Withhold the Request**

19
20 The IG Submission on page 6 stated:

21
22 Bates White, the Board Counsel consultant, confirmed its opinion that
23 NSPML has not clearly met its evidentiary burden to satisfy the
24 Consistent Deliveries threshold, and it has not recommended the Board
25 grant NSPML's request to end the Holdback.
26

27 It is important to note that Bates White did confirm in its response to IG IR-1 that it did
28 not recommend that the Board grant NSPML's request to end the holdback; however,
29 Bates White did not recommend that the Board deny NSPML's request to end the
30 holdback.

⁴³ Paragraph 115 of the Board's 2017 Decision in M07718.

1 Bates White summarized their conclusions and recommendations in their evidence as
2 follows:

3
4 **V. Conclusion and Recommendations**

5
6 **Q. What do you conclude regarding NSPML's requests in its**
7 **Application?**

8 A. I conclude that NSPML satisfied the "Reduction in Undelivered
9 Volumes" condition for ending the Holdback. Specifically, by the end of
10 March 2024, the net outstanding balance of undelivered energy was 9%
11 of the contracted annual amount of the NS Block, which meets the
12 threshold that the balance be less than 10%.

13 Regarding the Board's "Consistent Deliveries" threshold that at least
14 90% of the NS Block, measured in MWh (excluding Make-up Energy)
15 is received during each of 12 consecutive months, I conclude that
16 because NSPML relied upon "good utility practice" and "exceptional
17 circumstances" exceptions, there is a level of subjectivity and ambiguity
18 in the assessment that prevents a definitive conclusion. I conclude there
19 is evidence of good utility practice in certain instances, but there is also
20 evidence of potential contradicting evidence, such as the known severity
21 of the winter weather conditions that impact the LIL's route and LIL
22 design concerns that impact performance during certain icing events
23 raised by an independent third-party engineering expert firm hired by
24 NLH. I also conclude that future LIL performance is subject to
25 significant risk, as evidenced in NLH's filings, resource planning
26 assumptions, and proposed capital investments. **My evidence attempts**
27 **to deepen the record and assist the Board in making its**
28 **determination.**⁴⁴ [Emphasis added]

29
30 It is noteworthy that Bates White did not make any recommendations and instead
31 presented a number of conclusions to assist the Board.

⁴⁴ Bates White Evidence, filed May 7, 2026, page 37.

1 **3.3 NSPML and NLH are Different Arms-Length Entities**

2
3 The IG Submission makes multiple references to NSPML’s failures to achieve
4 delivery levels⁴⁵ and NSPML’s management of LIL outages⁴⁶. It is well understood
5 that availability of NSPML’s Maritime Link since its commissioning has been
6 commendable. For clarification, NSPML does not own, control or schedule outages
7 relating to the LIL, and that 100 percent of the holdback disallowances due to Board
8 set delivery thresholds have related to NLH assets which in no way is related to
9 NSPML’s management or actions. NSPML is concerned that such references have the
10 potential to mislead stakeholders, cause confusion and improperly associate certain
11 outcomes with the wrong entity.

12
13 **3.4 Ratepayers are Not Impacted by Delivery Shortfalls**

14
15 The IG Submission on page 7 stated:

16
17 Ratepayers continue to absorb the impact of these delivery shortfalls.

18
19 In this statement the IG is referencing the months following the Compliance Period
20 when the monthly deliveries were below 90% of the contract value. This statement
21 ignores the impact of delivered Make-up Energy. Since Make-up Energy is delivered
22 in a timely manner, there is nothing for ratepayers to absorb. Unfortunately, this
23 statement, and others, mislead the reader to think that customers were harmed by
24 Undelivered Energy during the relevant period when they were not. As Table 2 above
25 shows, in the Compliance Period and in the full years 2024 and 2025, customers
26 received all the energy in accordance with contractual rights, therefore there is no harm.
27 In addition, please refer to NSPML’s response to SBA IR-5 confirming that Make-up

⁴⁵ See IG Submission page 5 “NSPML does not dispute it failed to achieve ... the 90% monthly NS Block delivery threshold...” and page 13 “NSPML’s failure to meet the Consistent Deliveries Threshold.”

⁴⁶ See IG Submission page 8 “... and at page 10 “Rather, it appears that NSPML’s separate 10-day bipole outage of the LIL ...”.

1 Energy delivered during this period was worth more to customers than the Undelivered
2 Energy.

3
4 **3.5 “In-Service” is Different than “Continuous Electrical Operation”**

5
6 The IG Submission includes footnote 19 on page 7 which states:

7
8 See: N-01, Application, page 23; N-04(C), NSPML (IG) RIR-11. For
9 further context, the RIR-11 confirms that the DCCTs were "installed
10 prior to 2019 when monopole operation of the LIL was first attempted"
11 and "were not in continuous electrical operation from this date; however,
12 they were physically installed in the system." This suggests that the noted
13 "in service for approximately six years" in the Application at page 23,
14 line 19, is technically inaccurate, as the transformers were installed
15 before 2019, but the LIL was not commissioned until April 2023, so they
16 were not in continuous electrical service operation for six years.

17
18 The Application noted the LIL DCCT parts (owned and managed by NLH) were in
19 service for about 6 years, which is correct and not “technically inaccurate”, as stated by
20 the IG. “In service” means the DCCTs were *available for use*. It does not mean they
21 were in constant use, which is why NSPML used the words “not in continuous electrical
22 operation” in the response to IG IR-11. The IG statement in their Submission implies
23 “in service” is the same as “continuous electrical operation”, which is not the case.

24
25 **3.6 “Could” is a Different Standard than “Would”**

26
27 The IG Submission on page 8 states:

28
29 Concentric notes in its evidence that the Joint Operating Agreement
30 defines “Good Utility Practice” consistently with FERC’s standard. This
31 includes: practices, methods, and acts engaged in or approved by a
32 significant portion of the electric utility industry, or practices which, in
33 the exercise of reasonable judgment, **would** have been expected to
34 achieve the intended result in a manner consistent with safety,
35 environmental requirements, economy, and expedition. Regardless, this

1 is a contractual definition, and the Board is not bound by the description
2 contained within the Nalcor Transactions. [Emphasis added]
3

4 NSPML notes that both the JOA Agreement definition (quoted in Concentric's
5 Evidence) and the FERC definition (provided in IG IR-23 Attachment 1 page 18 of 111),
6 use the word "could", not "would" as stated in the IG Submission.
7

8 The word "would" implies a greater degree of certainty, a definite expectation, while
9 the word "could" suggests a possibility. While no definition of Good Utility Practice
10 has been accepted in this matter, the definition in the JOA and the FERC definition are
11 reasonable guidelines. Should the Board choose to reference these definitions, NSPML
12 requests that "could" is the appropriate expected outcome for the determination of Good
13 Utility Practice.
14

15 **3.7 March 30-31 2024 Outage was not Independently Sufficient to have Caused the**
16 **March Shortfall**
17

18 The IG Submission page 10 states:
19

20 However, the Application's footnote 25 suggests that the March 30–31
21 icing event, which NSPML separately characterizes as an "exceptional
22 circumstance" justifying April 2024 relief sought, was independently
23 sufficient to have caused the March 2024 shortfall.
24

25 Footnote 25 in the Application reads:
26

27 Absent the extreme weather event that impacted March 30 and 31, March
28 would have exceeded the 90 percent threshold set by the Board.
29

30 To miss 10% of contracted deliveries in a month, there must be the equivalent of 3 days
31 with no NS Block energy delivered. Therefore, the IG's statement that the March 30
32 and 31 outage was sufficient to cause the March shortfall is incorrect.

1 **3.8 Good Utility Practice is Much Broader than just Scheduled Maintenance**

2
3 The IG Submission on page 10 states:

4
5 The March 2024 planned outage work relates to corrective maintenance
6 arising from prior failures on the line, rather than routine, scheduled
7 maintenance required by good utility practice.

8
9 This statement suggests that only routine scheduled maintenance qualifies as good
10 utility practice. NSPML submits, based on the definitions in the JOA and that used by
11 FERC, that Good Utility Practice encompasses a wide range of work including project
12 management, design, procurement, construction, operation, maintenance, repair,
13 removal and disposal. Scheduled maintenance is but one type of work that can be
14 considered Good Utility Practice.

15
16 The IG Submission on page 11 acknowledges that repairs can be part of Good Utility
17 Practice, however the statement on page 10 promotes the contrary.

18
19 **3.9 Derating by the System Operator is Beyond the Scope of Good Utility Practice**

20
21 The IG Submission starting on the bottom of page 10 and continuing on page 11 states:

22
23 The Industrial Group notes that the derating of the ML on March 11 and
24 12, 2024 due to inclement weather in Newfoundland (limiting imports to
25 170 MW) appear to have separately contributed to the delivery shortfall.
26 The Board should assess whether the derating on March 11–12, caused
27 by weather conditions that limited import capability, independently
28 reflects good utility practice or forms part of a broader pattern of
29 weather-related vulnerabilities.

30
31 First, the deration by the Nova Scotia System Operator to 170 MW did not impair the
32 delivery of Base NS Block Energy. It only limited the import of a relatively small
33 portion of Supplemental Energy, and Make-up Energy, which would not count as
34 contracted energy in this case.

1 Second, actions taken by the System Operator are 100% independent of NSPML.
2 NSPML has no influence on the System Operator, nor should it. This deration therefore,
3 cannot be considered as good utility practice by NSPML nor can it be considered poor
4 utility practice. The System Operator is obliged to manage the reliability of the overall
5 Nova Scotia grid, and on these dates, it decided to balance sources of energy based on
6 system (including weather) conditions in the region. The potential weather in
7 Newfoundland on March 11 and 12 influenced the System Operators decision, but that
8 potential weather in no way impacted the reliability of the LIL or the Maritime Link.
9 The 170 MW limit on imports (which limit aligns with Nova Scotia’s system reserve
10 requirements) was exclusively driven on a decision by the System Operator, not on
11 actual weather-related impacts on the reliability of the LIL or the Maritime Link. The
12 IG’s suggestion that the shortfall was part of a “broader pattern of weather-related
13 vulnerabilities” is not accurate.
14

15 3.10 The Delivery Shortfall in March 2024 Had No Economic Impact on Ratepayers

16

17 The IG Submission page 11 states:
18

19 The Industrial Group does not suggest that repairing damaged
20 equipment, or taking corrective action to address reliability concerns, is
21 inconsistent with good utility practice. To the contrary, such work may
22 be necessary and prudent. The consideration before the Board on this
23 proceeding, however, is not whether the actions in March 2024 are
24 *consistent* with good utility practice – they may very well be. The
25 question is instead whether a delivery shortfall caused by corrective work
26 on a system already operating in a degraded or vulnerable condition
27 should be excused under the Board’s Holdback relief, based on this
28 delivery shortfall being *required by* good utility practice. Essentially, the
29 Board is asked **whether the consequences of that corrective work**
30 **should be shifted to ratepayers** through Holdback relief. They should
31 not. [Emphasis added]
32

33 It is noteworthy in this paragraph that the IG is not challenging whether the work
34 completed in March 2024 was in line with good utility practice. The IG’s focus is on
35 whether consequences of the work should “shift to ratepayers”. In this case customers

1 received all the energy they were owed. So there was not a shifting of anything to
2 customers. As shown in NSEB IR-006 Attachment 1, in March 2024 customers
3 received 115,454 MWh (Base NS Block and Supplemental Block) and 75,111 MWh of
4 Make-up Energy for a total of 190,565 MWh, compared to the expected contract amount
5 of 132,264 MWh. It is difficult to conclude based on total deliveries in March 2024 that
6 any burden was shifted to customers.

7
8 The Boards two-part test to terminate the holdback is based on whether the work related
9 to an outage that causes under deliveries of energy can be considered good utility
10 practice. The test does not consider any economic burden potentially placed on
11 customers. In this case, the IG has inappropriately linked the two issues and, although
12 not part of the test, failed to rebut the evidence on record that customers are actually
13 better off financially as a result of the delivery of Make-up Energy. In terms of the
14 Board's test, the IG has not challenged whether the work was good utility practice.

15
16 **3.11 The Current FAM Balance of Over \$120 Million Is Not Attributable to Maritime**
17 **Link Under deliveries**

18
19 The IG Submission on page 14 states:

20
21 It would be unreasonable for ratepayers, who have carried the full burden
22 of the ML assessment costs throughout the years of under-deliveries, and
23 who carry a **FAM balance of over \$120 million partly attributable to**
24 **ML underperformance**, to also be required to compensate NSPML
25 with interest on Holdback funds that accumulated because of NSPML's
26 self-inflicted inaction in bringing this Application. [Emphasis added]

27
28 The current FAM balance has accumulated since the FLG2 was applied. No evidence
29 was presented that supports any material (or any) portion of the existing FAM balance
30 is attributable to under deliveries from NLH. Additionally, NS Power recently
31 confirmed to NSPML that the current FAM balance is largely (if not completely) driven
32 by factors unrelated to deliveries from NLH.

1 To date, any under delivered energy has been offset by timely deliveries of Make-up
2 Energy. This is proven in Table 2 above. While not in evidence, NSPML can conform
3 that through May 2026, Undelivered Energy has continued to be at or near zero.
4

5 **3.12 The Filing Date of this Application Was Driven By Legitimate Factors**
6

7 The IG Submission on page 14 states:
8

9 It is further worth noting that NSPML confirmed its retention of
10 Concentric in connection with the Holdback application in February
11 2024, two years before this Application was filed. Within the 2026
12 Assessment hearing, during questioning by Vice Chair Deveau, the only
13 reason given for the delay was that there were **other priorities**.
14 [Emphasis added]
15

16 The Company highlights other evidence provided in this application that the reason for
17 the filing date is more nuanced than “other priorities”. In NSPML’s Submission filed
18 on July 9, 2026, parties were reminded of the demands on NSPML resources leading up
19 to the filing of this Application:
20

21 As set out in NSPML’s evidence, this Application has been brought
22 subsequent to May 1, 2024 to ensure that all necessary information was
23 in place for the Application, and in part due to the practical realities in
24 managing the regulatory calendar. The Company offered additional
25 context about the timing of this Application in response to NSEB IR-01
26 (b):

27 As explained during NSPML’s 2026 Assessment Hearing, the
28 primary reason for the timing of the filing is that NSPML has a
29 relatively small contingent of employees to balance competing
30 operational and regulatory obligations. Although NSPML
31 believes it is appropriately resourced to deliver on its
32 obligations, staffing levels occasionally present challenges,
33 such as in this case.
34

35 Additional factors included the desire to have more complete
36 information from the Compliance Period. As 100 percent of the
37 holdback disallowances relate to NLH’s performance and
38 energy delivery information primarily sits with NS Power, a
39 significant amount of information for the Application needed to

1 be sourced from third parties. Specifically, NS Power for
2 delivery information and NLH for information relating to all
3 outages and their asset performance.⁴⁷
4

5 The IG's statement implies that NSPML is somehow slack in managing their regulatory
6 calendar. It is a fact that the team is small and the operations, reporting and filing
7 schedule has been robust. Recent examples that have required significant attention
8 include, but were not limited to, NSPML's 2026 Assessment that included preparation
9 for an oral hearing dealing with complex issues such as ROE and DER matters, while
10 efforts required for the rock protection project materially increased with the
11 consideration and ultimate adoption of a two stage / two vessel approach - adding an
12 intensive few months of effort to ensure safety, risk, performance, contractual and
13 regulatory considerations were properly considered and managed in the best interests of
14 customers.
15

16 **3.13 Post Compliance Period DCCT Work**

17

18 NSPML wishes to offer clarity on outages related to DCCT work completed by NLH in
19 Newfoundland on the LIL. At page 7 of its Submission, the IG accused NSPML of
20 purposefully delaying an outage for DCCT work to circumvent the financial impacts of
21 the Holdback conditions.
22

23 It is noteworthy that NSPML was the first to identify the potential conflict between the
24 design of the holdback mechanism and the planning of outages and proactively
25 confirmed on the record that it had not, and would, not consider (or try to influence
26 others to consider) holdback implications in outage planning as doing so would be
27 inappropriate. NSPML wanted the Board to understand the potential unintended
28 incentive and to affirm it would continue to act with integrity.⁴⁸

⁴⁷ NSPML Submission filed July 9, 2026, page 17, lines 3-22.

⁴⁸ M11009, NSPML Compliance Filing, October 27, 2023, page 15, lines 8-11.

1 The DCCT work referenced by the IG was conducted by NLH on NLH assets⁴⁹. NSPML
2 was not responsible for scheduling or carrying out that work on NLH assets.
3 Notwithstanding this fact, the IG references NSPML not having records or
4 documentation of the deferred DCCT work as evidence supporting its accusation that
5 NSPML purposefully delayed the DCCT work to circumvent holdback. NSPML did not
6 have internal records because the DCCT work was not NSPML work and therefore no
7 records or documents were created. NLH, an arms-length company, maintains records
8 and documents of its dealings with its 3rd party contractors – documentation of which
9 NSPML does not have direct access.

10
11 NLH explained to NSPML (and NSPML conveyed the same to participants as part of
12 this process) that the delay in this work was caused by the equipment not being available
13 from the manufacturer. These types of supply chain challenges are prevalent in the
14 industry with NSPML being subject to the same challenges, namely delivery of IGBTs,
15 a critical component of the Maritime Link convertor stations in Woodbine and in Bottom
16 Brook. A search of the Internet or query to any electric utility (including NS Power)
17 would have corroborated the extended sourcing timelines for this type of equipment.

18
19 For the IG's accusation to be true, it would mean that NSPML employees lied in
20 response to the IG's information request and that it not only conspired with NLH but
21 also potentially with regional system operators – entities who would be agreeing to
22 operate the regional system at a higher risk in order for NSPML to potentially avoid
23 additional holdback amounts. There is no evidence that NSPML, NLH or any other
24 entity intentionally delayed this work, nor would there be any rational explanation for
25 doing so. To the contrary, the evidence and history of the holdback clearly demonstrate
26 that NSPML did not and has not negatively influenced the timing of any work to avoid
27 Holdback implications.

⁴⁹ Response to IG IR 11 (d)(ii), filed April 21, 2026.

1 **4.0 CONCLUSION**

2

3 NSPML has provided clear evidence that it has satisfied the test set by the Board to end

4 the holdback mechanism. The Company's expert, Concentric, supports this position.

5 Likewise, the CA and its expert support the Application to end the holdback. Bates

6 White agreed that NSPML met the condition that the Undelivered Energy balance dip

7 below 10%, and they offered conclusions about the condition that 90% of contracted

8 energy be received in each month. The Company provided information in response to

9 the Bates White Evidence that should assist the Board in finding that in the 4 months

10 where 90% deliveries were not achieved, good utility practice or exceptional

11 circumstances merit relief, as requested throughout this proceeding.

12

13 In addition to satisfying the conditions to end the holdback, NSPML has shown that

14 customers, since LIL commissioning, have received all the energy expected. Based on

15 the data shown in Tables 1 and 2 above, considering the entirety of the Compliance

16 Period, and the entirety of 2024 and 2025, customers received all the energy specified

17 in the ECA. There was no energy owed to customers related to these periods.

18

19 As previously mentioned, and, although not part of the test nor contractual remedies,

20 there was also no financial harm to customers to be remedied by the holdback during

21 the relevant period.

22

23 Points have been raised about the future reliability of the LIL with concerns about the

24 ability for consistent deliveries into Nova Scotia. Respectfully, this is not a topic for

25 consideration of whether the Company has met to conditions to terminate the holdback.

26 Yet, it is recognized that these are concerns presented by some interested parties in this

27 matter. It is noteworthy that the author of the Report referenced to support these

28 concerns also supports the remediation path of gathering additional measurements and

29 information over the long-term to better inform what is the actual risk and required

30 actions and, of note is that NLH's remediation path is well under way. The significant

31 amount of information filed as part of the proceeding (including NLH's response to IG

1 IR-9) should also provide a level of comfort that appropriate (or good utility practice)
2 steps have started and continue to be underway in terms of better understanding risks
3 and mitigating where merited.
4

5 Additionally, NSPML submits that should LIL reliability negatively impact the ability
6 of NLH to deliver NS Block volumes in the future, this is a topic that can be revisited at
7 that time. The contracts between NSPML and NLH are robust about the delivery of NS
8 Block and the provisions for Make-up Energy are clear and, up to this point, proven to
9 work. The Company suggests that potential future delivery issues will be dealt with
10 using existing contracts and the most efficient way forward is to rely on those contracts.
11

12 NSPML thanks the participants for their thoughtful participation in this matter and
13 respectfully requests that the Board issue an Order directing that:
14

15 a) The Holdback shall be vacated as at the end of April 2024 given that:

16 i. At least 90% of the NS block was received during each of the previous 12
17 consecutive months (with relief granted for July and September 2023 as well
18 as March and April 2024); and

19 ii. The net outstanding balance of Undelivered Energy became less than the
20 10% of the contracted annual amount of the NS Block threshold in March
21 2024.

22 b) Direction to release all Holdback amounts accumulated since the Compliance
23 Period and including WACC.