Blackburn Law Inc.

June 16, 2026

VIA EMAIL

Ms. Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax NS B3J 3S3

Dear Ms. Henwood:

Re: M12743 - Nova Scotia Power Incorporated's application for approval of Capital Work Order CI C0068714 - IT- Identity & Access Management, $6,756,522

On March 13, 2026, Nova Scotia Power Incorporated ("NS Power") filed its application for approval of its Work Order for the cost to-date to update and install CI C0068714 – IT – Identity & Access Management ("IAM") system ("the Application"). NS Power states that the system is needed to "…reduce cybersecurity risk exposure, improve regulatory compliance, and create a scalable foundation for future identity-centric security programs.[1]" The current expenditure profile shown in the NSEB Approval Sheet confirms that NS Power expects to incur budgeted costs of $4,324,589 against a total project estimate through 2026 of $6,756,522.[2] Please note that this Application is not marked as showing Final Cost and instead shows budget and estimates through 2026.

Following a competitive procurement process, NS Power engaged the consultant IBM to carry out the transition to a modern Privileged Access Management (PAM) ecosystem, including other procedures and tools besides the IAM. Among the additional tools transitioning to IBM's Managed Security Services (MSS) are manual provisioning, User Lifecycle Management (ULM), IGA, PAM, and EPM.[3] These additional support services are further defined as follows[4]:

IGA: Identity Governance and Administration (IGA) framework, including deployment of Saviynt's SaaS enabling standardized user access certification, policy enforcement, and enhanced control over user lifecycle events.

[1] M12743, Exhibit N-1, NS Power Application for Approval of CI C0068714, NSEB Approval Sheet, March 13, 2026, (the "Application") Page 1 of 5

[2] M12743, Exhibit N-1, NS Power Application for Approval of CI C0068714, NSEB Approval Sheet, March 13, 2026.

[3] M12743, Exhibit N-1, the Application p. 1 of 5, paragraphs 2, 4 and 5.

[4] M12743, Exhibit N-1, the Application, p. 1 of 5, paragraphs 2 and 3.

T: 902-835-8544 F: 902-835-4310 E: info@blackburnlaw.ca www.blackburnlaw.ca
SUITE 231 BEDFORD HOUSE, SUNNYSIDE MALL, 1595 BEDFORD HIGHWAY, BEDFORD, NOVA SCOTIA B4A 3Y4

EPM: Endpoint Privileged Management

ULM: User Lifecycle Management, including Operationalization of privileged password vaulting, automated credential lifecycle management (including password rotation), and Secure Infrastructure Access (SIA) with session monitoring and recording for built-in and high-risk accounts.

According to this Application, installation of the IAM itself will occur in at least two phases, with Phase 1 having been deemed in service with Release One of the IAM program that is described as final in February 2026.[5] However, in response to IRs, NS Power has identified additional releases that are within the current project scope of this IAM project, some of which NS Power has indicated should be completed by August 2026 while others are expected to be delayed until October 2026.[6] These in-scope releases are shown in the table below:[7]

Release	Description
R1	PAM - CyberArk Privilige Cloud (Pcloud) Corporate Network
R2	PAM - Cyberark Pcloud and Secure Infrastrucure Access (SIA) - Service Management Network
R3	PAM - CyberArk SIA – Corporate Network
R4	PAM - Endpoint Privilege Manager
R5	PAM - Additional CyberArk Capabilities (Secrets Hub, Central Credential Provider)
R6	Identity and Governance Administration (IGA)

The redacted version of the Application excluded Attachments 1, 2 and 3 (which were removed due to confidentiality) but they are listed under 'Consulting' in the table on Page 3 of 5 in the Application:[8]

Attachment 1 and 2: Privileged Access Management (PAM) Deployment

Attachment 3: Identify Governance and Administration (IGA) Deployment

Attachment 3: Manage Security Services (MSS) Onboarding

Submissions:

The Small Business Advocate (SBA) has reviewed the Application as well as the responses to information requests submitted by the Consumer Advocate (CA), Department of Energy (DOE), Industrial Group (IG), Nova Scotia Energy Board (NSEB), as well as its own IRs, and appreciates the opportunity to provide the following submissions in this matter.

---

[5] M12743, Exhibit N-1, the Application, Why do this project now?, page 2 of 5, 3rd paragraph.

[6] M12743, Exhibit N-7 NSPI (CA) IR-7 Revised, page 3 of 4, lines 9, 25 and page 4 line 16.

[7] M12743, Exhibit N-6 NSPI (SBA) IR-3(b), page 2 of 2, lines 2-8.

[8] M12743, Exhibit N-1, Capital Project Detailed Estimate, page 3 of 5, Consulting Sub-Total = $4,135,858, Attachment sub-sub-totals are redacted, however, the consultant was identified on page 1 of 5, paragraph 4.

The SBA appreciates the necessity for NS Power to continually review and pursue opportunities to update and deploy state-of-the-art IT technology to protect its business operations and preserve the confidentiality of customer information entrusted to it by all customer classes, including those customer classes represented by the SBA. Still, recognizing that NS Power has this obligation, the SBA has two concerns about this Application.

1. Complexity and Value:

It is apparent from the list of tools to be installed that this Application should help to prevent unauthorized access to NS Power's critical customer and data information systems. This application was first identified in the 2025 ACE Plan filed in 2024, which predates the March 2025 cyber breach event. An initial question that arises is whether any expected overrun costs for this and subsequent related applications are due to revisions to the original 2024 plan that were made in response to the 2025 cyber event. While it is acknowledged that costs may increase over time, it is unclear whether any increases in cost are due directly to the impact of the cyber breach event.

From that, the question arises as to whether everything that is being proposed is sufficient to avoid a similar cyber breach event from occurring again. In other words, what is the additional protection value provided by the considerable investment represented by this Application? While the complexity of the new systems being added is significant, this by itself is not a substitute for confirming value, nor does it fully address the concerns about cyber security that remain.

2. Previous Projects:

Other capital investment projects have come before the Board in recent years that are related to IT system upgrades similar in cost level to this Application, i.e., in the million-dollar range, and bearing similar descriptions to, e.g., PAM, IAM. Several of these have been identified by NS Power as being different because this Application is replacing an "on-premises" solution with a modern PAM SaaS solution.[9] However, this does not fully address the concern raised because it does not identify whether there are any parts of the systems being replaced that could survive and continue to provide value as part of this Application.

Replacing existing solutions that were included in prior ACE plans and are still being included in NS Power's accounting filings as investments raises the concern that these investments should be reviewed to determine if they are no longer used and useful. As part of the Depreciation Study a period of 10 years is allowed for Computer Software[10], which implies that many of these prior CI applications include investments that have not been fully depreciated, yet they are being replaced.

The SBA respectfully submits that this Application serves as an incomplete picture of how much the "modern" Privileged Access Management (PAM) system is actually expected to cost in total, when it will finally be fully deployed, and what value it provides in the near term to addressing cyber security concerns. While there may be no alternative to phased deployment for each tool, a total cost to reach full deployment should be provided.

---

[9] M12743, Exhibit N-2 NSPI (CA) IR-2, page 1 of 1, lines 12-18.
[10] M12743, Exhibit N-2 NSPI (CA) IR-2, page 1 of 1, lines 20-26.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 16th day of June, 2026.

Yours truly,

Melissa P. MacAdam
Small Business Advocate