Nova Scotia Energy Board

IN THE MATTER OF *The Public Utilities Act,* R.S.N.S. 1989, c.380, as amended

M12784

2025 Annual Performance Standards Report

NS Power
Closing Arguments

July 3, 2026

NON-CONFIDENTIAL

On March 31, 2026, Nova Scotia Power Inc. (NS Power or the Company) filed its 2025 Annual Performance Standards Report (Report) with the Nova Scotia Energy Board (Board). On April 13, 2026, the Board issued a Hearing Order advising that information requests could be submitted to Nova Scotia Power on or before May 7, 2026, with responses due from NS Power on May 29, 2026. No stakeholders requested leave to file evidence, so the revised deadline for filing closing arguments is July 3, 2026, with all parties having the opportunity to submit reply arguments on July 17, 2026.

NS Power responded to information requests from the Small Business Advocate, the Consumer Advocate, the Industrial Group, and the Board. Intervenors did not choose to file additional evidence through this process. The following constitutes NS Power's closing submission.

2025 Performance Standards Results

In 2025, NS Power met nine of the 14 Performance Standards. The SAIFI result of 1.57 represents continued improvement and is the lowest recorded since 2012.

The Company met all adverse weather response standards for the third consecutive year, with performance during the December weather events exceeding the applicable targets for both call handling and customer restoration. All standards related to new service connection times were also met for the second consecutive year.

Five standards were not achieved in 2025. With respect to system reliability, the SAIDI result of 4.79 hours represents an improvement over recent years and is the best result since 2020. While the SAIDI target was not achieved, the result reflects continued progress in reducing outage duration and remains consistent with the overall trend of improvement.

At the feeder level, three feeders did not meet their respective performance targets in 2025: 85S-401 (Wreck Cove), 57W-402 (Caledonia), and 91W-411 (Middlefield). These results reflect localized performance challenges and the impact of discrete outage events that influenced annual results on each feeder. For 57W-402, a full feeder outage resulting from a motor vehicle accident significantly affect the annual performance; absent this event, the feeder would have met its performance target. Similarly, 91W-411 was materially impacted by an outage caused by customer-owned equipment and would have achieved its target absent this event. These events were isolated in nature and are not representative of underlying reliability performance on the affected feeders.

These feeders continue to be the focus of targeted investment and operational attention. Work is underway to address performance on each feeder, and additional measures are planned in 2026 to support improved results.

Five-Year Reliability Plan – Year One Results

NS Power continues to advance the execution of its Five-Year Reliability Plan (the Plan), with a focus on improving reliability for Nova Scotians while maintaining an appropriate balance with affordability. In 2025, the Company completed the first year of the Plan on budget, investing approximately $206 million across three key areas: vegetation management and tree trimming, upgrades and storm hardening of equipment to better withstand weather conditions, and grid modernization.

In 2026, the Plan provides for investment of approximately $234 million. NS Power remains focused on achieving the Plan’s objectives by 2029, including reducing SAIDI by 20 percent from the 2019 to 2023 five-year baseline of 5.10 hours and achieving the Performance Standards SAIFI target of 2.05.

Vegetation Management

Trees contacting power lines continue to be the single largest cause of customer interruptions across the province. In response, NS Power has made sustained increases in vegetation management investment over several years. Annual spending has increased from approximately $25 million between 2018 and 2022 to $32 million in 2023, and to $45 million in both 2024 and 2025.

These investments are reflected in improved performance. In 2025, outages caused by tree contact declined by 19 percent compared to 2024. Customer hours of interruption related to vegetation were the lowest since 2020 and among the lowest levels observed in recent decades. This reflects the cumulative benefit of continued work to widen corridors, remove hazard trees, and maintain rights of way.

In 2026, NS Power plans to continue this level of investment, including significant additional work on distribution and transmission corridors across the province.

Equipment Upgrades and Grid Hardening

NS Power has continued to invest in equipment replacement and infrastructure upgrades designed to improve system resilience. This includes the use of stronger poles and updated construction standards across the province, with these standards applied as infrastructure is replaced and upgraded.

In 2025, targeted reliability work was completed on 46 priority feeders. This included equipment replacement, protection upgrades, and targeted vegetation work. These efforts contributed to a 14 percent reduction in equipment related outages compared to 2024, with both outage frequency and associated customer hours at among the lowest levels in many years.

The Company also completed upgrades to substations and protective devices to enable improved monitoring and control. Additional upgrades are planned for 2026. These improvements support faster fault identification and restoration.

Impact of the April 2025 Cyber Incident

The two remaining standards that were not achieved relate to customer service performance. These results were directly affected by the cyber incident identified in April 2025.

Prior to the incident, both metrics were on track. Estimated billing levels were below target and call answer performance exceeded the required standard. The incident impacted metering and billing systems, requiring the use of estimated billing for a significant portion of the remainder of the year.

At the same time, customer call volumes increased substantially, driven by billing inquiries. This increase in demand affected the Company's ability to meet call answer performance targets during this period.

NS Power undertook a number of measures in response. Additional resources were deployed to support manual meter reading, staffing levels were increased in the Customer Care Centre, and external support was engaged to assist with call volume. The Company also undertook customer outreach, including in-person community sessions.

Customer protection measures were implemented, including the suspension of collection-related activities. These actions ensured that customers were not adversely affected while systems were restored.

As of March 31, 2026, meter connectivity to NS Power's billing system had been restored and returned to normal operations. Results in 2026 to date indicate that performance has returned to expected levels. Both standards are expected to be met in 2026.

2026 Proposed Performance Standards

NS Power requests that the 2026 Performance Standards, as set out in the Report, be approved by the Board. The proposed standards are largely consistent with those applied in 2025.

One adjustment has been made to the Performance Standards targets to reflect updated historical performance for one service connection metric. In addition, the feeders identified for focused performance monitoring in 2026 have been updated to reflect current system performance and recent results, as detailed in Appendix O of the Report.

Commitment to Performance Standards

NS Power remains committed to meeting the Performance Standards and continues to advance this objective through the execution of its Five-Year Reliability Plan. The results to date reflect ongoing progress, with improvements observed across several key performance areas in 2025.

Certain results in 2025 were affected by circumstances that were not reasonably anticipated, including the impacts of the cyber incident on customer service measures. These factors have been addressed, and the Company expects performance in these areas to align with applicable targets going forward.

NS Power submits that an administrative penalty is not required. The Company's focus remains on continuing to execute the Reliability Plan, meeting the Performance Standards, and delivering sustained improvements in service and reliability for customers.

NS Power appreciates the opportunity to provide these closing comments.