

File No: SM002557-00268

Nancy G. Rubin, K.C.
Direct Dial: 902.420-3337
nrubin@stewartmckelvey.com

July 3, 2026

Delivered by E-mail

Crystal Henwood
Regulatory Affairs Officer/Clerk
Nova Scotia Energy Board
3rd Floor, 1601 Lower Water Street
PO Box 1692, Unit "M"
Halifax NS B3J 3S3

Dear Ms. Henwood:

Re: M12784 - NSPI - 2025 Annual Performance Standards Report

These Closing Submissions are filed on behalf of the Industrial Group.

This proceeding arises from NSPI's obligation under the *Public Utilities Act* (the "**PUA**") to file annual reports on its performance against the Board-approved reliability standards. In its 2025 Annual Report, NSPI states that it met nine of 14 Performance Standards and failed to achieve five: SAIDI (duration index); CKAIDI for feeder 85S-401; CKAIFI for feeders 57W-402 and 91W-411; the regular business call answer rate within 30 seconds; and the percentage of customer bills estimated.

The Industrial Group acknowledges that NSPI's 2025 performance demonstrates meaningful improvement in outage frequency, but material reliability risks persist for customers, particularly with respect to outage duration, transmission-related interruptions and localized chronic under-performance.

Additionally, the evidentiary record does not allow the Board to determine the extent to which observed reliability improvements are attributable to Reliability Plan investments, as opposed to other factors such as milder weather. This lack of attribution is concerning given the substantial scale of those investments, totalling \$1.3 billion over five years.

Moreover, 2025 marks the ninth consecutive year in which NSPI has failed to meet one or more performance standard metrics, and the failure to meet five metrics remains significant.

The Industrial Group provides comments with respect to:

1. Reliability Investment Review and Reporting;
2. Transmission Loss of Supply;
3. Customer Level Reliability Metrics;
4. Planned Outages and Reporting Transparency; and
5. Administrative Penalty.

Reliability Investment Review and Reporting

The Industrial Group has consistently emphasized the importance of being able to assess whether NSPI's reliability investments are producing the improvements they are intended to deliver. That concern is not diminished by the reported progress within the first-year of the Reliability Plan. Although NSPI reports directional improvement after spending more than \$200 million in 2025, it remains unclear how much of that improvement is attributable to work completed under the Five-Year Reliability Plan, whether the selected measures are the most cost-effective, and whether the Plan could be refined to reduce costs for ratepayers or accelerate compliance with the performance standards before 2029.

The regulatory history relating to this issue of cost-effectiveness evaluation for reliability investments is relevant for consideration. In Matter M11169, NSPI's application for the approval of authorization to overspend for 2022 ACE Plan Distribution Routines D008- Provincial Storms, the Board concluded that NSPI needed to *"develop better metrics and analysis to evaluate the cost-effectiveness of resiliency investments. These should be capable of both quantifying the expected benefits of a resiliency investment and measuring the effectiveness of that specific intervention once it is in place."*¹

This direction was then repeated in the Board's decision related to the 2023 Annual Performance Standards Report, Matter M11627, at which time the Board further raised concerns with NSPI's position that it did not assess the reliability impacts of individual projects because it treats asset risk profiles as the primary measure.²

*Furthermore, despite the Board's prior directions around the need to assess the effectiveness of the investments in reliability and resiliency it is making, the information NS Power provided in its IR responses in this proceeding does not engender confidence that this is being addressed by NS Power. For example, in its response to NSUARB IR-18(b), NS Power advised that it does not look specifically at the reliability impacts of individual projects because it regards its asset risk profiles as the primary measure of the impact from its investments.*³

NSPI's response was found not to be entirely consistent with the Board's prior direction requiring NSPI to develop and implement a process to review whether actions taken in response to identified risks and opportunities have been effective. The Board directed NS Power to develop and implement such a process.

In the last, 2024 Annual Performance Standards Report, Matter M12185, the Board raised concerns with the report that the Five-Year Reliability "should result" in NSPI being able to meet SAIDI and SAIFI requirements into the future.⁴ The Board raised concerns with NSPI's apparent lack of urgency to comply with the targets and about NSPI's statements suggesting uncertainty as to whether the Five-Year Reliability Plan will achieve a 20% improvement in SAIDI by 2029, particularly given that 2029 is 12 years after the performance standard targets were first

¹ 2024 NSUARB 115, para. 64.

² M11627, Decision Letter, September 9, 2024, page 15.

³ See M11627 Decision, p 15.

⁴ M12185 Decision Letter, pages 14-15.

established.⁵ Without project-level effectiveness tracking, the Board and Intervenor cannot assess whether NSPI is working with sufficient rigour and urgency to achieve compliance before the end of the Plan period.

In that 2024 Annual Performance proceeding, the Board directed that the Five-Year Reliability Plan must identify specific actions and timelines, explain why particular investments were selected, and quantify the reliability or resilience improvement expected from each investment.⁶

Despite these repeated directions, the record in this proceeding shows that NSPI has still not developed the quantitative tools needed to attribute measured reliability improvements to specific projects or programs under the Reliability Plan. In response to IG IR-6, NSPI acknowledged that it did not use a quantitative model or statistical test to determine whether its 2025 SAIDI and SAIFI results were associated with specific projects or programs under the Five-Year Reliability Plan.⁷ NSPI intends to continue to spend within the “approved categories as approved in previous regulatory filings.”

Similarly, in response to CA IR-1, NSPI acknowledged that the reduction in tree-contact outages may be attributable both to more favourable weather and to its reliability investments, including approximately \$45 million of vegetation management work in each of 2024 and 2025.⁸ NSPI reportedly cannot quantify the effect of each factor because of the difficulty of separating them.

The Industrial Group recognizes that precise, project-by-project attribution may not always be possible. The difficulty, however, is that the present record still provides no reliable basis to determine how much of the observed improvement is attributable to the Reliability Plan and how much reflects a milder weather year. This evaluation is necessary to ensure the proper efforts are being made for the reportedly growing concerns in relation to inclement weather anticipated.

The Industrial Group respectfully submits that the Board should direct NSPI to file, with its next Annual Performance Standards Report, a program-level attribution analysis identifying the SAIDI improvement estimated to result from each completed Reliability Plan program or investment category in 2025, together with an updated trajectory analysis showing whether Year 1 results place it on track to achieve the targeted 20% SAIDI improvement by 2029.

Transmission Loss of Supply

Customer outage events resulting from interruptions originating on the transmission system, including substations, are coded as “Loss of Supply”. In 2025, loss of supply accounted for 40.5% of all customer hours of interruption (“**CHI**”) in Cape Breton, 35.7% in the Northeast, 31.4% in Metro, and 29.1% in the West region.⁹ It was the single largest contributor to outage duration in Cape Breton and the Northeast, while in the West region, tree contacts remained the dominant cause of CHI at 37.3%.

⁵ M12185 Decision Letter, page 14.

⁶ M12185 Decision Letter, page 14.

⁷ N-03, IR-3 (b).

⁸ N-02, IR-1.

⁹ N-4, NSEB IR-7, Att 02.

The evidence also shows that outage impacts are driven by a small number of large events, particularly for equipment failures and transmission-related outages. For example, the five largest equipment failure events accounted for over 23% of total CHI from that cause, and the top 25 events for more than 55%.¹⁰

Information relating to Loss of Supply events, substation-level impacts, and transmission-related constraints was available when sought through IR's. However, this information is not presented in a consistent or consolidated manner within the Annual Performance Standards Report.

The Industrial Group submits that it would be useful for this information to be more systematically summarized in the Annual Performance Standards Report, for example through:

- 1) a consolidated presentation of the contribution of loss-of-supply events to outage duration, including regional context and, where available, trends over time;
- 2) periodic summary reporting of substation-level interruption impacts, to identify areas of concentrated or recurring impact; and
- 3) structured identification of recurring transmission-related constraints or supply dependencies that materially influence feeder-level reliability.

Greater clarity on the contribution of transmission-related outages, including through regional context and substation-level reporting, would assist the Board in understanding what is driving overall outage duration. In particular, such information would help identify whether outage impacts are concentrated in specific transmission assets or regions, or more broadly distributed across the system, and whether remaining reliability challenges are primarily associated with the transmission or distribution system components.

Customer Level Reliability Metrics

In Matter M10279, the prior Application for Revision of Performance Standards initiated in 2021, NSPI was directed to provide updates on its progress in developing customer-level reliability data, including CEMI-5 (customers experiencing five or more interruptions), CEMI-4, and CELID-8 (customers experiencing long interruption duration of eight or more cumulative hours).¹¹ Although NSPI has collected CEMI and CELID data for eight years, it maintains that there is insufficient data to establish related benchmarks.¹²

In response to SBA IR-2(d) and (e), NSPI states that for now, it plans to monitor customer-level metrics within the existing Performance Standards reporting framework and to continue relying primarily on engagement with Electricity Canada for information about the use of such metrics by other Canadian utilities.¹³

The Industrial Group submits that the Board should consider whether the performance framework ought to be expanded to include more granular customer-level metrics, such as CEMI/CELID thresholds. Those measures would provide better visibility into the service experience of the

¹⁰ N-3, IG IR-5(b).

¹¹ 2022 NSUAR 27 and Order dated April 7, 2022, s. 3(a).

¹² See for example as confirmed in M12185 Decision September 10, 2025, p. 5.

¹³ N-5, SBA IR-2(d)–(e).

customers most acutely affected by NSPI's reliability shortfalls and would assist the Board in assessing whether reliability impacts are being experienced unevenly across the customer base.

The Industrial Group is participating in the parallel Board-initiated Review of NSPI Performance Standards (M12376) so the Board's findings and comments in this matter regarding this issue will be of interest in the Review.

Planned Outages and Reporting Transparency

While NSPI has met its adverse weather response standards, planned outages remain a material source of interruption for customers. Industrial customers must curtail production, change schedules and absorb costs. Planned outages are excluded from the calculation of Performance Standards SAIFI and SAIDI reliability metrics.

In 2025, NSPI confirmed there were 1,749 planned outages with 618,413 customer hours of interruption.¹⁴ In 2020, there were only 458 planned events and 171,013 CHI. By 2023 the number had jumped to 1,951 events and 686,609 CHI, and has held at elevated levels since then. NSPI explains this increase is due to expanded reliability work and capital investment. This explanation does not sufficiently address the impact of these outages on customers.

NSPI's current Annual Report provides an account of the aggregate volume of planned outages, including total events and associated customer-hours of interruption, as well as a high-level discussion of year-over-year trends. In response to IRs, NSPI was able to produce detailed outage data at the feeder, substation, and incident level.

The issue for the Industrial Group is not the availability of data but the form in which the information is presented. The trend data shows a sustained increase in planned outage activity, but this information is presented in aggregate form. It does not indicate whether the increase reflects activity that is broadly distributed across the system or concentrated on particular feeders, substations, or areas over time. As a result, the Board cannot readily assess how planned outage impacts are experienced in practice, including whether certain customers or locations are disproportionately affected.

Disaggregation of planned outage impacts in the Performance Standards Report would help show any patterns and distribution of that activity and not just the system-wide scale of outages.

The Industrial Group recommends the Board direct NSPI to include in future Annual Performance Standards Reports:

- 1) Disaggregation of planned outage impacts, such as by feeder or substation groupings; and
- 2) A description of NSPI's practices in relation to planned outages, including general approaches to customer notification, coordination, and scheduling.

¹⁴ N-1, Annual Report, Figure 74, 2024 and 2025 Planned Outage SAIDI and SAIFI; and N-4, NSEB IR-5.

Administrative Penalty

Under the *PUA*, the Board has authority to take measures to ensure NSPI's compliance with the performance standards, including ordering NSPI to pay an administrative penalty, to develop and file a plan to bring itself into compliance with a performance standard, or both.

Section 52E of the *PUA* provides that any administrative penalty must be appropriate to promote future compliance with the performance standards, and not punitive in purpose or effect nor to redress a wrong done to society at large. Pursuant to s. 52E(2), the cumulative total of administrative penalties in a calendar year must not exceed \$25 million, and under (3) and (4) any penalties imposed must be credited to customers in accordance with the regulations or as otherwise determined by the Board.

Given that 2025 marks the ninth consecutive year in which NSPI failed to meet one or more performance targets, it would be open to the Board to impose an administrative penalty, as it did in relation to 2023 and 2024 performance. Such a penalty would not be punitive; rather, its purpose would be to promote future compliance with the performance standards.

The Industrial Group recognizes the progress achieved in the first year of the Reliability Plan, including SAIFI compliance and measurable reductions in certain outage causes. However, significant deficiencies remain; SAIDI was again not met, chronic feeder issues persist, and customer service standards continue to fail materially. While the latter of these issues was attributed to the cybersecurity incident, and have since improved, that does not change the far-reaching impacts of that security breach.

If the Board considers it appropriate, the Industrial Group supports the imposition of an administrative penalty in an amount that promotes future compliance while recognizing the improvements made in 2025. Any penalty should be applied for the benefit of FAM customers. A credit through the FAM is the most transparent, traceable, and direct means of ensuring that the penalty benefits the customers who have borne the consequences of NSPI's continued non-compliance. As reported in the most recent April Monthly FAM Report, the current FAM balance is \$125 million.

Conclusion

In summary, the Industrial Group respectfully submits that:

1. NSPI should file in its Annual Performance Standards Report, a program-level attribution analysis identifying the SAIDI improvement estimated to result from each completed Reliability Plan program or investment category in 2025, together with an updated trajectory analysis showing whether Year 1 results place it on track to achieve the targeted 20% SAIDI improvement by 2029 or earlier.
2. NSPI should file in its Annual Performance Standards Report, additional analysis of transmission Loss of Supply, for example through:
 - (a) a consolidated presentation of the contribution of loss-of-supply events to outage duration, including regional context and, where available, trends over time;
 - (b) periodic summary reporting of substation-level interruption impacts, to identify areas of concentrated or recurring impact; and

- (c) structured identification of recurring transmission-related constraints or supply dependencies that materially influence feeder-level reliability.
- 3. The Board should strongly consider whether the performance framework ought to be expanded to include more granular customer-level metrics, such as CEMI/CELID thresholds, as there appears to be sufficient data to support transitioning these customer-level metrics from informational reporting to performance standards.
- 4. The Board should direct NSPI to include in future Annual Performance Standards Reports:
 - (a) disaggregation of planned outage impacts (by feeder or substation groupings); and
 - (b) a description of NSPI's practices in relation to planned outages, and particularly customer notification, coordination, and scheduling.
- 5. If the Board determines that a penalty is warranted under s. 52E of the PUA, it should impose an administrative penalty in an amount that promotes future compliance and direct that the amount be credited through the FAM for the benefit of customers.

Thank you for the opportunity to make these submissions.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Nancy G. Rubin', with a long horizontal flourish extending to the right.

Nancy G. Rubin, K.C.

A handwritten signature in blue ink, appearing to read 'Brianne E. Rudderham', with a long horizontal flourish extending to the right.

Brianne E. Rudderham

NGR/BER/lmc

cc Participants in M12784