Blackburn Law Inc.

July 3, 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: M12784 - Nova Scotia Power Inc. – 2025 Annual Performance Standards Report

On March 31, 2026, Nova Scotia Power Inc. ("NS Power") filed its 2025 Annual Performance Standards Report (the "Report"), which detailed that it had achieved 9 of the 14 Board approved performance standards. The 5 standards that were missed were:

- Reliability
  - SAIDI
  - CKAIDI
  - CKAIFI
- Customer Service
  - Regular Business Call Answer Rate
  - Percentage of Bills Estimated

The Small Business Advocate (SBA) appreciates the opportunity to make the following submissions on the Report and will address the missed standards in reverse order.

Customer Service Performance Standards

In the Report, NS Power explains that the main reason why it failed to achieve the 2 Customer Service Performance Standards was due to the cyber-security incident that occurred in April 2025.

Regular Business Call Answer Rate

In Appendix A of the Report[1], NS Power provided the monthly breakdown for its call response times. The breakdown shows that in the months prior to the cyber-security incident NS Power achieved above the 70% standard in each month and it is acknowledged that, because of the

[1] M12784, Exhibit N-1, 2025 Annual Performance Standards Report, (the "Report") Appendix A, Page 1 of 1

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increase in calls to NS Power from concerned customers, a reduction in the call response standard after the cyber-security incident is reasonable. What is unclear from the Report is why the drop-off for its call response service level continued to degrade into the late fall, with the lowest percentage being in November (38.03%) before rebounding the next month to 77.37%. NS Power alluded to "...fewer self-serve resolutions and longer, more complex customer care interactions[2]" in November, but the trend of decreasing performance began in September[3].

NS Power noted that "...40 additional customer care representatives were added through the summer and fall of 2025 to help address the new trend in both call volume and length[4]"; however, in response to an Information Request (IR) from the Consumer Advocate, regarding the number Customer Care Representatives in January 2025 and December 2025, NS Power provided information that suggests that the number of employees only increased from 139 in January 2025 to 143 in December 2025[5]. This appears to be inconsistent with the reference in the Report to 40 additional representatives, unless the employees were only there for a short period of time, which also raises the question about the sudden drop off in performance in November.

While the SBA acknowledges that the cyber-security incident resulted in a significant increase in calls to NS Power, which were likely more complex and time-consuming than typical calls, especially in relation to estimated bills, (which were started in June 2025[6], and may explain the drop off between June and July) the response by NS Power over the months that followed raises concerns. For example, November 2025 had the second least number of interactions post cyber-security incident, but by far the lowest service level percentage[7]. This disconnect bears further explanation as customers deserve to be provided with answers to questions when they call.

<u>Percentage of Bills Estimated</u>

Given the impact of the cyber-security incident on NS Power's ability to access customer usage information through AMI and to process bills using its software system[8], it is not surprising that the Percentage of Bills Estimated Standard was not achieved and, in fact, missed by quite a large percentage. While customers experienced significant impacts because of the result of estimated bills, the SBA believes the resulting impacts are likely best addressed through one of the matters before the Board that are examining the cyber-security incident and its effect on customers. While the percentage of monthly estimates increased in both September and November after moving downwards from June, the explanations provided by NS Power appear to be reasonable[9].

In response to IRs from the SBA, NS Power confirmed that during the period that bills were estimated, customers were encouraged to pay the estimated bills[10], but that there were no negative

[2] M12784, Exhibit N-1,the Report, Page 26 of 115, Lines 14-15.
[3] M12784, Exhibit N-1, the Report, Appendix A, Page 1 of 1.
[4] M12784, Exhibit N-1, the Report, Page 27 of 115, Lines 4-6.
[5] M12784, Exhibit N-2, NS Power response to CA IR 2 (b) Page 2 of 2.
[6] M12784, Exhibit N-1, the Report, Page 24 of 115, Lines 18-20.
[7] M12784, Exhibit N-1, the Report, Appendix A, Page 1 of 1.
[8] M12784, Exhibit N-1, the Report, Page 28 of 115, Lines 9-13.
[9] M12784, Exhibit N-1, the Report, Page 28 of 115, Lines 2-6.
[10] M12784, Exhibit N-5, , NS Power Response to SBA IR 1(b), Page 2 of 2.

credit implications experienced by those customers who failed to pay their estimated bills[11]. NS Power further noted that it would only be when the data batches resumed that there would be implications for customers who had failed to pay in the interim[12]. The SBA respectfully submits that it is important for NS Power to ensure that all customers, but especially those customers who have not paid their bills from the period in 2025 when they were estimated, are aware of the potential credit implications of not settling those invoices, once the data batches resume.

Reliability

When the performance standards were first introduced in 2016, the understanding that the SBA had was that these standards were achievable, which is why the standards were expected to improve, or at least stay the same, in each progressive year. It is therefore frustrating, for stakeholders and ratepayers, that these standards are not fully achieved, year over year.

SAIDI

The target for 2017, as set by the Board[13], was 4.29 and was based on a 2012-2016 Average of 3.72, with a standard deviation applied of 0.58[14]. In 2025, the target for SAIDI was still 4.29 and NS Power achieved 4.79. While this was better than 2024's result of 5.26[15], we are still not seeing the improvements we expect, nor the ones that we are paying significantly for. While it might be suggested that the improvement from 5.26 in 2025 to 4.79 shows an improving trend it must also be noted that the SAIDI result for 2023 was 5.21[16] and 5.16 in 2022[17]. At this point, the SBA respectfully submits there is no trend with respect to SAIDI results.

CKAIDI and CKAIFI

Under these metrics, NS Power must identify their chronic circuits from the previous year[18] and take steps to address them and ensure that they meet the stated targets. In 2025, circuit 85S-401 missed the CKAIDI target and 57W-401 and 91W-411 missed the CKAIFI target[19].

The concern about these failures is because these are feeders that have already been identified as an issue for a minimum of 5 years. The SBA submits that it is reasonable to expect that the results should show improvement after several years of investment in vegetation management and

[11] M12784, Exhibit N-5, , NS Power Response to SBA IR 1(c), Page 2 of 2.
[12] M12784, Exhibit N-5, , NS Power Response to SBA IR 1(c), Page 2 of 2.
[13] The Nova Scotia Utility & Review Board, as it was then known.
[14] M07387, London Economics International Report – Re: Performance Standards, , Board Order, December 20, 2026, Appendix A, Page 4
[15] M12185, Exhibit N-1, NS Power 2024 Annual Performance Standards Report, Page 22 of 84, Figure 8 – 2024 Performance Standards Not Met.
[16] M11627, Exhibit N-1, NS Power 2023 Annual Performance Standards Report, Page 26 of 139, Figure 3 – 2023 Performance Standards Not Met.
[17] M11052, Exhibit N-1, NS Power 2022 Annual Performance Standards Report, Page 16 of 173, Figure 2 – 2022 Performance Standards Not Met.
[18] A chronic circuit is defined as follows: "Any problem circuit that is among the worst 5 percent of all NS Power's circuits or feeders for the third consecutive reporting year shall be labeled a chronic circuit" – M12784, Exhibit N-1, the Report, Appendix O, Page 3 of 8.
[19] M12784, Exhibit N-1, , The Report, Appendix M, Page 1 of 2.

transmission and distribution, including bringing more lines to the roadside. However, it is unclear from NS Power's responses to IRs how much further work NS Power is prepared to do to address these chronic circuits.

With respect to 85S-401, in response to the Board's IR32(a)[20], NS Power stated it has not planned to relocate all of the feeder to roadside, despite promoting the benefits of lines being roadside[21].

At the same time, in response to the Board's question as to whether NS Power is suggesting that further investment in circuits may no longer justify the cost[22], NS Power responded that it generally agrees with the current methodology for the CKAIDI and CKAIFI metrics, but it raises issues with respect to the threshold tightening and the interplay between circuits:

> ...However, as circuit performance improves across the system, the target setting approach inherent in this methodology will continue to drive a more stringent level for the CKAIFI and CKAIDI threshold for penalty. As illustrated in the 2025 Report, even for circuits where substantial improvement is achieved, their relative performance position, and therefore their likelihood to exceed the threshold, also depends strongly on the performance of every other circuit. Both the average and standard deviation of circuits performance inform the threshold and as these tighten with improved performance, the threshold also tightens. The nature of this relationship between circuits can still result in circuit violation due small differences in the frequency and duration of outages when the targets tighten as they did in 2025. In a scenario with very stringent circuit targets, more significant interventions would be necessary to reduce outage impacts further, even for difficult to mitigate outage causes such as motor vehicle accidents, necessitating more investment above current levels. Depending on the specific circumstances of a feeder, NS Power would continue to submit data-driven, risk-based mitigation programs and projects as appropriate.[23]

The SBA respectfully submits that if the calculation for applying two-standard deviations to obtain the metric as performance improves worked for – and was acceptable to– NS Power for all prior years, there is no reason why it should not be maintained. There is nothing inherently wrong with having a tight band around a metric if the arithmetic calculation that produces it is sound and acceptable to the Board, especially if it was successful in motivating the improvement shown by NS Power over the last few years. More importantly, NS Power has not suggested an alternative calculation, and as shown in the Reliability Standards results[24], there is still room and a need for improvement going forward.

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[20] M12784, Exhibit N-4, NS Power Response to Board IR 32(a), Page 2 of 5.
[21] M12784, Exhibit N-1, , The Report, Page 63 of 115, Lines 1-5.
[22] M12784, Exhibit N-4, , NS Power Response to Board IR 20(b), Page 2 of 2.
[23] M12784, Exhibit N-4, , NS Power Response to Board IR 20(b), Page 2 of 2, Lines 2-16
[24] M12784, Exhibit N-1, the Report, Appendix M, Page 1 of 2.

Summary

Acknowledging that the failed Customer Service metrics were directly affected by the cyber-security incident, it is disappointing and concerning that we are yet again addressing failed Reliability metrics. While it is acknowledged that 2025 was the first year of NS Power's new Reliability Plan, vegetation management, move to roadside and a multitude of other efforts have been undertaken by NS Power over the last decade during which these metrics have been in place. It is unclear, at this point, what can be done to achieve the metrics that, at least in the case of SAIDI, have been in place since 2016, but it is essential that ratepayers receive value for the costs that they are incurring.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 3rd day of July, 2026.

Yours truly,

Melissa P. MacAdam
Small Business Advocate