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
Reply to Closing Arguments

July 17, 2026

NON-CONFIDENTIAL

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1.0 INTRODUCTION

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 NS 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.

On July 3, 2026 closing arguments were filed by NS Power, the SBA, the CA, and the IG. The following constitutes NS Power's reply to the closing submissions.

2.0 CONSUMER ADVOCATE'S COMMENTS

The CA acknowledged that there has been an improvement in the indices of reliability (page 1, line 20) and that the increased vegetation management and tree trimming investments from the Five-Year Reliability Plan are bringing positive results (page 2, lines 38-40).

The CA noted that there have been improvements in the two indices of reliability measuring frequency and duration of outages. Unlike previous years, the CA did not recommend that the Board impose an administrative penalty on NS Power for its 2025 results.

2.1 Reliability

The CA reiterated NS Power's 2025 Performance Standards results and referred to NSEB IR-2 in which NS Power noted the different factors which can influence reliability performance. The CA commented as follows on page 2 (lines 19-21) of its closing submissions:

> While this may be true, the customers of the Utility are most concerned about the reliability they actually experience; that is how long and how often do the lights go out. It is clear that from this perspective, much remains to be done.

NS Power acknowledges the need for improvement going forward, and this aligns with the Five-Year Reliability Plan which started in 2025. The CA went on to note that there have been improvements and that the vegetation management and increased tree trimming, which are part of the Five-Year Reliability Plan, appear to be bringing positive results.

2.2 Customer Service

The CA also noted (page 2, lines 29-34) that the two customer service standards which NS Power failed to meet (customer call response time and percentage of estimated bills) were the direct result of the fallout from the cyber incident which occurred in the spring of 2025:

> In both of these cases, the failure to meet the prescribed target can be directly attributed to the impact of the cyber attack that was experienced by Nova Scotia Power in 2025.
>
> This may be considered a mitigating factor when assessing Nova Scotia Power's responsibility for failing to meet the targets. It is also significant that in both areas, Nova Scotia Power's performance improved toward target levels as the Utility responded to the cyber event.

2.3 2026 Standards

The CA took no issue with the proposed 2026 standards, but did note that the threshold for requiring an Outage Report should be applied with some flexibility (page 3, lines 16-18) as there may be some outages which affect fewer than 30,000 customer and reporting may be of benefit to NS Power and customers.

With respect to this recommendation, NS Power recognizes that the Board has exercised flexibility on outage reports and already has this discretion for additional details on any outage events it considers impactful regardless of size.

3.0 SMALL BUSINESS ADVOCATE'S COMMENTS

The SBA provided comments about the five standards which NS Power failed to achieve in 2025.

3.1 Customer Service

The SBA reviewed the results for both the regular business call response rate and the percentage of bills estimated.

With respect to the call response rate, the SBA said (at page 2):

> 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, 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 cybersecurity incident, but by far the lowest service level percentage. This disconnect bears further explanation as customers deserve to be provided with answers to questions when they call.

With respect to the percentage of estimated bills, the SBA made the following comments:

> 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, 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.
>
> 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, but that there were no negative credit implications experienced by those customers who

> failed to pay their estimated bills. 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. 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.

With respect to NS Power's return to normal business processes and the potential credit implications, customer service standards were attributable to the April 2025 cyber incident, a one-time, non-recurring event; performance in the months preceding the incident met the applicable standards, and billing/metering systems were fully restored as of March 31, 2026, with 2026 performance expected to align with performance targets from April 2026 onward.

Additionally, NS Power had already committed to providing notice to customers prior to charging late fees on customer accounts, and on July 15th confirmed that late fees will resume on October 1, 2026. When late fees resume on accounts, the Company has an established collections approach that will ensure customers have multiple notices and opportunities to work with NS Power to find a solution for their balance well before the last resort of a disconnection for non-pay. Only after a disconnection would a write-off of an account occur if a customer is still unable to pay, and at that point there would be credit implications for customers.

With regard to November 2025 call answer results, the complexity of the calls arriving is an additional contributor to the service level. Call time in November was the longest of any 2025 month after the cyber incident, and the average call was 33 percent longer than calls in June, for example. NS Power employees took the time to help customers understand their bills, and these conversations resulted in longer calls.

With respect to additional customer care representatives, the SBA offered the following:

> 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"; 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. 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.

NS Power appreciates that looking solely at the number of employees does not provide the full picture of the availability of Customer Care Representatives (CCR) to support customers. It is important to consider the number of hours over the time period where CCR support was available. In the specific example referenced by the SBA, CCR support was available to customers for 17870 hours in January of 2025 and 20770 hours in December of 2025, representing a 16 percent increase. Throughout the year, CCR availability was increased as required to meet the needs and expectation of customers.

3.2 Reliability

The SBA expressed concern about the reliability metrics. It summarized NS Power's SAIDI results for the last several years and noted (at page 3) there is "no trend with respect to SAIDI results." SAIDI is correlated with weather-related outages, and in years with fewer storm events, the outages are shorter in duration. In years with more MEDs and EEDs, the duration tends to be longer. However, the Five-Year Reliability Plan is designed to reduce SAIDI to meet the current target at the end of 2028.

For the CKAIDI and CKAIFI results, the SBA suggested that the results should show improvement:

> In 2025, circuit 85S-401 missed the CKAIDI target and 57W-401 and 91 W-411 missed the CKAIFI target.

> 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 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 NS Power's concerns with the target setting approach for determining the problem feeders for CKAIDI and CKAIFI, the SBA said at page 4:

> 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, there is still room and a need for improvement going forward.

NS Power acknowledges the need for improvement going forward, and this aligns with the Five-Year Reliability Plan which started in 2025. NS Power notes the SBA's own submission recognizes that reliability improvements from sustained vegetation management and equipment investment reasonably take several years to fully manifest — consistent with the Plan's five-year design and its measured Year 1 results.

4.0 INDUSTRIAL GROUP'S COMMENTS

The IG provided comments in five areas: reliability investment, transmission supply, customer level metrics, planned outages, and administrative penalty.

4.1 Reliability Investment Review and Reporting

The IG started by acknowledging that NS Power's 2025 performance demonstrates meaningful improvement in outage frequency. The IG made the following comments about measurement of reliability improvements (at page 3):

> 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. NSPI intends to continue to spend within the "approved categories as approved in previous regulatory filings."
>
> …
>
> 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.

With respect to the request to file program-level analysis, NS Power identifies program-level benefits (such as reliability benefits due to tree removal, additional protective devices and upgraded line hardware) when submitting projects for approval. Attributing a discrete reliability benefit to each project which can be cumulatively added to a projected benefit is more complex due to the many factors that impact the operation of the power system. For this reason, NS Power provides projected benefits at the system level. NS Power notes this substantially overlaps with the Synapse-led review of the Five-Year Reliability plan, where methodologies for assessing Plan effectiveness are being developed with the Board's consultant. NS Power continues to suggest that leading and lagging metrics are required to determine prudent investment.

4.2 Transmission Loss of Supply

The IG observed that interruptions on the transmission system (including substation) were the largest contributor to outage duration in Cape Breton and the Northeast, and that tree contacts were the largest contributor in the West (at page 3).

The IG has suggested that loss of supply be considered more systematically in the annual Performance Standards reporting:

> 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.
> 4) 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.

NS Power does highlight outage details and transmission projects through the ACE Plan reporting and project justifications. NS Power already includes Loss of Supply events in its approach to risk-based decision-making and argues that additional reporting on these outages would not change the capital investment required due to existing Performance Standards. However, NS Power will continue to work with the Board and stakeholders on the Performance Standards review for 2026-2031 and implications for Loss of Supply events.

4.3 Customer Level Reliability Metrics

Customer level reliability metrics are not part of the Performance Standards mandated by the Board, but NS Power has been reporting on CEMI and CELID for several years following a request by the SBA. The IG is suggesting that this should be part of the annual standards:

> 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 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.

NS Power believes that reporting these metrics do not provide additional value, as the results from the analysis would be captured in CKAIFI and CKAIDI metrics in the Problem Feeder criteria.

4.4 Planned Outages and Reporting

The IG's concerns regarding planned outages and reporting relate to how the information is presented and provides recommendations for future reporting:

> 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:
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> 5) Disaggregation of planned outage impacts, such as by feeder or substation groupings; and
>
> 6) A description of NSPI's practices in relation to planned outages, including general approaches to customer notification, coordination, and scheduling.

With respect to reporting on planned outages, NS Power has a full section in the Performance Standards report (Section 6) on this topic comparing previous performance and analysis. Appendix K of the Performance Standards report already lists each individual planned outage with details for the year by Feeder. NS Power contends that given the details already included within the report, further reporting on these outages is not necessary.

4.5 Administrative Penalty

The IG notes the Board's ability to impose an administrative penalty for the purpose of promoting future compliance with the standards and not be punitive in nature or to redress societal wrongdoing (at page 6), and makes the following recommendation:

> 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.

The Board explicitly directed that the penalty imposed for failing to meet the 2024 standards be credited to the FAM Balance.

NS Power does not take issue with the mechanism related to the penalty. However, comments about this being the ninth year in a row that NS Power has failed to meet all of its standards appear to suggest that the penalty be imposed to punish NS Power. Ultimately, the penalty is paid by NS Power's shareholder. NS Power's shareholder, Emera, has a $13.2 billion dollar Reliability Plan from 2025-2029 that includes the $1.3 billion plan from NS Power.

NS Power's development and pursuit of its five-year plan for improving its reliability clearly demonstrates that it is working to comply with the standards. There have been improvements in NS Power's performance in virtually all areas (excepting those directly impacted by 2025's cyber event), and is a result of NS Power's ongoing reliability strategy. An administrative penalty is not necessary to promote future compliance with the Performance Standards.

5.0 CONCLUSION

NS Power respectfully submits that it does not need to be incented, by penalty or otherwise, to develop a plan for bringing itself into compliance — that plan exists, is funded, is being executed, and is producing measurable improvements for the benefit of customers. The purpose the Board relied on in 2023 and 2024 to justify a penalty — inducing NS Power to commit to and begin a compliance plan — has now been substantively fulfilled by delivery. NS Power submits that this distinguishes 2025 from the record in M11627 and M12185, without disputing those decisions.

NS Power submits that no administrative penalty is required for 2025. Unlike in 2023 and 2024, the record now demonstrates a funded compliance plan already in progress and producing results in line with the plan and prior years of compounded investment. NS Power's focus remains on continuing to deliver the 5-Year Reliability Plan and sustained improvements in service and reliability for customers.