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June 11, 2026

VIA WEB PORTAL

VIA EMAIL

Crystal Henwood, Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
P.O. Box 1692, Unit "M"
Halifax, NS B3J 3S3

Dear Ms. Henwood:

Re: M12786 – Nova Scotia Power Inc. – 2025 Storm Restoration Cost Report

Please accept the following comments on behalf of the Consumer Advocate with respect to the above-noted matter.

On April 1, 2026, Nova Scotia Power ("NS Power") filed its 2025 Storm Restoration Costs Report, which includes costs for Levels 1, 2, 3, and 4 storms. NS Power classifies its storms as follows:

- Level 1 – Regional Service Restoration Response: less than 50,000 customers affected, and restoration expected to be completed within 12 hours.
- Level 2 – Multi-Region Service Restoration Response: less than 50,000 customers affected, and restoration expected to be completed within 36 hours, or more than 50,000 customers affected but restoration expected to be completed within 24 hours.
- Level 3 – Provincial Service Restoration Response: less than 50,000 customers affected, and restoration expected to require more than 36 hours, or more than 50,000 customers affected but restoration expected to be completed within 72 hours.
- Level 4 – Corporate Service Restoration Response: more than 50,000 customers affected, and restoration expected to require more than 72 hours.¹

¹ NS Power 2025 Storm Restoration Cost Report (M12786), p. 3

The total combined costs for all Level 1, 2, 3, and 4 storms in 2025 were \$16,411,580, including both capital and operating storm costs. For operating costs alone, the total combined costs were \$12,784,095.² Notably, NS Power indicates it experienced two Level 3 storms, and no Level 4 storms in 2025.³ Moreover, for the second consecutive year, NS Power recovered more from ratepayers for Level 3 and 4 storm costs than it spent. Specifically, in 2025, NS Power recovered \$10.4M for Level 3 and 4 storm costs, but only incurred \$3.2M, resulting in an overpayment of \$7.2M in that category. The actual overpayment is reduced to \$4.9M, once allowances and actual costs for Level 1 and 2 storms are taken into account.⁴

The Report also provides a breakdown of storm readying and storm response costs for all storm events in 2025, and indicates that storm readying costs for the two Level 3 storms amounted to \$471,969 in total, compared to \$5.8M for storm response.⁵ As directed by the Board, NS Power also reports on its control and performance management measures.

The Consumer Advocate has reviewed the Report, as well NS Power's responses to IRs, and provides the following comments:

- At page 4 of the Report, NS Power states the following: "NS Power infers from the Board's GRA Decision that the storm cost reporting should include both capital and operating (OM&G) costs." The Consumer Advocate agrees with the inference drawn by NS Power. For the sake of clarity going forward, it may also be helpful for the Board to confirm the inference is correct.
- In response to an Information Request from the Industrial Group, NS Power states it has no formal definition of "storm readying" costs or "storm response" costs, but also provides a definition for the purposes of the report. In that regard, NS Power states that "storm readying" costs are "the cost incurred before the storm event occurs," and "storm response" costs are the costs "incurred once the storm starts and restoration activities begins."⁶

The Consumer Advocate submits that it would seem appropriate for NS Power to develop a formal definition of these terms, in order to ensure consistency not only between the annual reports, but also to ensure that the costs are being appropriately tracked and categorized.

² NS Power 2025 Storm Restoration Cost Report (M12786), p. 7

³ NS Power 2025 Storm Restoration Cost Report (M12786), p. 5

⁴ NS Power 2025 Storm Restoration Cost Report (M12786), p. 10

⁵ NS Power 2025 Storm Restoration Cost Report (M12786), p. 9

⁶ Industrial Group IR-2(a)

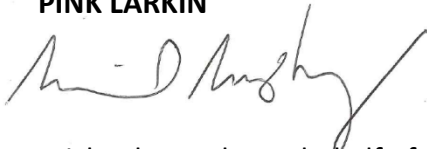
- In response to an Information Request from the Industrial Group, NS Power acknowledged there is limited accuracy for damage prediction on smaller impact storms, as well as high variability and limited historical data for small storms.⁷ This is somewhat concerning to the Consumer Advocate, given the risk of incurring unnecessary costs in the future due to inaccurate predictions. NS Power acknowledges that improving accuracy is something the company can “do better.”

The Consumer Advocate states that NS Power should therefore study this issue further to determine ways to improve its damage prediction on smaller impact storms, and report on its findings either in a compliance filing or in the next Storm Restoration Cost Report.

The Consumer Advocate appreciates the opportunity to participate in this matter.

Yours truly,

PINK LARKIN

A handwritten signature in black ink, appearing to read "Michael Murphy", written over a horizontal line.

Michael Murphy on behalf of
David Roberts, Consumer Advocate
MTM/aw

⁷ Industrial Group IR-9