

June 19, 2026

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Lana Myatt
Manager, Regulatory Capital
Nova Scotia Power Inc.
P.O. Box 910
Halifax, NS B3J 2W5

Dear Ms. Myatt:

M12799 – Nova Scotia Power Inc. – CI C0080101 – 539N-201 Big Island Subsea Cable Replacement – \$4,388,679

On April 9, 2026, Nova Scotia Power Inc. (NS Power) filed a request with the Nova Scotia Energy Board (Board) for approval of a 2026 Subsequent Approval Item: 539N-201 Big Island Subsea Cable Replacement project. The estimated project cost has increased by \$849,612 from the 2026 ACE Plan budget of \$3,539,067.

The cost increase is primarily attributable to additional engineering evaluation requirements intended to identify and address external risks to the subsea cable. These requirements include a marine geotechnical survey to assess burial conditions and cable protection, and landfall civil work associated with cable pull-in and backfill activities.

In the “Why do this project now” section of the application, NS Power explained that the existing submarine power cable was installed in 1977 and had experienced a fault in the late 1990s. The cable has now exceeded its typical 40-year service life. As the single supply source, Big Island’s continued reliance on this cable increases the risk of an extended outage for customers if a failure occurs.

Board staff issued Information Requests (IRs) to NS Power on April 20, 2026, and NS Power provided its responses on May 11, 2026. Board staff issued a second set of IRs on May 22, 2026, and NS Power provided its responses on June 12, 2026.

NS Power stated that the proposed replacement cable would serve 80 customers on the island and that the project is a like-for-like asset replacement based on the age and condition of the existing subsea cable.

In response to IR-4 and IR-5, NS Power noted that two cables had been installed to provide primary service to Big Island, since 1977. The first cable was installed in 1977. That cable experienced mechanical damage caused by ice flows dragging along the seabed and was repaired in May 1997. However, the repair did not meet submarine installation requirements. As a result, a second cable was installed in 1999 to replace the 1977 cable. The 1999 cable was subsequently damaged during Hurricane Fiona in September 2022. NS Power determined that repairing the 1999 cable would not be practical or reliable, given the cable

condition, estimated repair cost, and associated risks. NS Power therefore returned the 1977 cable to service as the primary supply to Big Island.

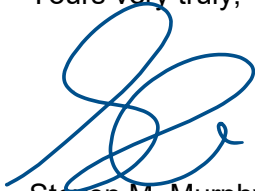
In IR-6, NS Power noted that it is currently awaiting the results of forthcoming marine survey and risk assessment studies. These studies are intended to identify and evaluate site-specific risks and to inform the preferred technology or protection methodology for the cable.

In response to IR-10 (d) and (e), NS Power provided a comparison of three service options: subsea cable, overhead cable causeway, and underground cable causeway. After comparing all three options, NS Power identified the buried subsea cable option as the preferred option due to its lower lifecycle risk and higher reliability, followed by the underground cable causeway option. NS Power stated that severe weather conditions across the causeway, including wind, salt exposure and debris impacts, pose elevated risks to overhead infrastructure when compared with the other two options.

In response to the second set of IRs, NS Power provided technical and cost comparisons between the subsea cable and underground cable causeway options in support of its proposal. NS Power stated that both options present similar issues, including "extended outages due to the difficulty of detecting and repairing faults." However, NS Power explained that the subsea option offers better overall performance in reducing the likelihood of outages and damages due to issues including infrastructure disturbance by third parties and ground erosion. NS Power also provided an estimated cost comparison, indicating that the trenched underground cable option would require approximately \$665,605 more in capital investment than the subsea cable option, resulting in an estimated capital cost of \$5,054,284, although if installed, the cost to replace it in the future would be considerably less than the subsea option.

Based on the evidence filed in this proceeding, the Board finds that the underground land cable and subsea cable options are broadly comparable in terms of reliability, repair complexity, and exposure to environmental risks. The underground option has a significantly lower replacement cost, but the subsea cable option requires lower upfront capital investment and has a lower lifecycle risk and overall higher reliability. The Board therefore finds that the proposed 539N-201 Big Island Subsea Cable Replacement project is necessary. The Board approves the total project cost of \$4,388,679.

Yours very truly,



Steven M. Murphy, MBA, P.Eng.
Member



Marc Dunning, P.Eng., LL.B.
Member



NSEB APPROVAL SHEET

Project Title: 539N-201 Big Island Subsea Cable Replacement

CI Number: C0080101

Date: April 9, 2026

Expenditure Profile			Type of Filing	
Year	Budget Amount	Project Estimate	☐	Capital Project Authorization
			☐	Unforeseen and Unbudgeted (U&U)
			☐	Planned & Advanced (P&A)
			☒	Subsequent Approval Item
2025	1,130,497		☐	Authorization to Overspend (ATO)
2026	2,408,570	1,213,712	☐	Scope Change
2027		3,174,967	☐	Final Cost (FIN)
Total	\$3,539,067	\$4,388,679		

COMMENTS

Submitted on behalf of NOVA SCOTIA POWER INCORPORATED



Authorized Signatory
Dave Pickles
Chief Operating Officer

DATE

April 8, 2026

Approved on behalf of NOVA SCOTIA ENERGY BOARD



DATE

June 19, 2026