

July 23, 2026

lane.myatt@nspower.ca

Lana Myatt
Manager, Regulatory Capital
Nova Scotia Power Inc.
1223 Lower Water Street
PO Box 910
Halifax, NS B3J 2W5

Dear Ms. Myatt:

M12838 – Nova Scotia Power Inc. – CI C0082133 – IT – Renewall Microsoft Enterprise Agreement - \$1,987,397

On May 4, 2026, Nova Scotia Power Inc. (NS Power) filed an application with the Board requesting approval to renew its Microsoft Enterprise Agreement. NS Power requested Confidentiality for portions of the material filed in support of this application citing Commercial Information associated with contracts. The Board approves the request for the partially confidential 2026 Annual Capital Expenditure (ACE) Plan work order: CI C000082133 IT – Microsoft Enterprise Agreement Renewal \$1,987,397.

This project was listed as an item for subsequent approval in the 2026 *ACE Plan* for \$1,800,000. NS Power explained the increase of \$187,397 from the 2026 *ACE Plan* is due to price increases from Microsoft and the addition of SQL Server Standard, SQL Server Enterprise and Windows Server Standard Core Licenses.

This application covers the cost of obtaining a three-year Microsoft Enterprise Agreement (MEA) that provides Software Assurance to previously purchased licenses for Windows Servers, Visual Studio and SQL. Through this new MEA, NS Power owns all perpetual licenses released by Microsoft for the products under this agreement during the MEA term. NS Power noted that the existing MEA expired on June 30, 2026, and a new agreement should be secured to maintain license compliance with Microsoft. According to NS Power the new MEA is the only option that meets its business requirements and the ability to use the licenses on assets running data centres and the disaster recovery site.

NS Power noted that this MEA is a duplication of the 2023 MEA at the end of its contract life, which was approved by the Board in matter M11166.

The Board issued Information Requests (IR) to NS Power on May 28, 2026, to which responses were received on June 18, 2026. According to the response to IR-1, Emera Inc. has an agreement with Microsoft that allows its affiliates to enroll in an MEA where the price is based on the total number of licenses required for all affiliates. NS Power noted that this

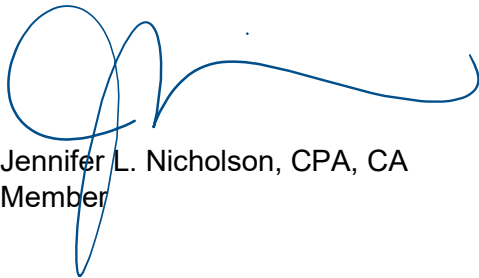
agreement allows all affiliates to obtain favourable pricing and that the cost of this application would be higher if the benefits of the agreement were not exercised.

NS Power provided a Total Cost of Ownership analysis in response to Board IR-2. This analysis showed that the operating costs associated with the MEA have doubled in comparison to the 2023 MEA in M11166. A second set of IRs was issued on July 8, 2026, and NS Power provided its response on July 15, 2026. In its response, NS Power indicated that the increase in the TCO relative to the 2023 MEA attributable to Microsoft's discontinuation of its discount pricing program, an increase in the number of licenses and higher unit pricing. NS Power also noted that the current MEA includes a support subscription that was not part of the previous agreement.

In additional, NS Power explained that the original TCO had been prepared prior to the completion of renewal negotiations with Microsoft. Following those negotiations, NS Power was able to secure more favourable pricing terms, resulting in a reduction in the overall cost of the renewal. Consequently, the Board issued a third set of IRs on July 15, 2026, requesting an updated TCO analysis. NS Power responded on July 22, 2026, and the revised TCO demonstrated both lower capital expenditures and reduced operating costs associated with the MEA.

The Board considers that this MEA renewal is necessary and the capital cost is justified based on the application and responses to IRs. The Board approves the requested capital expenditure of \$1,814,873 as provided in the updated TCO.

Yours very truly,

A handwritten signature in blue ink, appearing to read 'Jennifer L. Nicholson', with a long, sweeping horizontal line extending to the right.

Jennifer L. Nicholson, CPA, CA
Member

c. William Mahody, K.C. Board Counsel



NSEB APPROVAL SHEET

Project Title: IT - Renew Microsoft Enterprise Agreement

CI Number: C0082133

Date: May 4, 2026

Expenditure Profile			Type of Filing	
Year	Budget Amount	Project Estimate	☒	Capital Project Authorization
2026	1,800,000	1,987,397	☐	Unforeseen and Unbudgeted (U&U)
			☐	Planned & Advanced (P&A)
			☒	Subsequent Approval Item
			☐	Authorization to Overspend (ATO)
			☐	Scope Change
			☐	Final Cost (FIN)
Total	\$1,800,000	\$1,987,397		

COMMENTS

Submitted on behalf of NOVA SCOTIA POWER INCORPORATED



Authorized Signatory
Dave Pickles
Chief Operating Officer

DATE
May 4, 2026

Approved on behalf of NOVA SCOTIA ENERGY BOARD



DATE
July 23, 2026