

May 15, 2026

REDACTED

Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax, NS B3J 3S3

**Re: M12521 2026 Demand Side Management Cost Recovery Rider (DCRR) –
Adjustments to OATT MEUs' 2026 DCRR Direct Monthly Payments**

Dear Ms. Henwood:

Nova Scotia Power (NS Power, Company) filed its 2026 Demand Side Management (DSM) Cost Recovery Rider (DCRR) Application on October 22, 2025. The Board issued an Interim Order in this proceeding on December 22, 2025, which provided:

2. The direct monthly payment amounts for the four open access transmission tariff municipal electrical utilities, approved by the Board in the 2025 DCRR proceeding (M11912), will continue in the same approved amounts as 2025, commencing January 1, 2026, until further order of the Board in this matter, or as part of NS Power's ongoing general rate application.¹

On March 31, 2026, the Nova Scotia Energy Board (NSEB, Board) issued its Decision approving the 2026 DCRR. The Board's Decision provided:

The Board approves the resetting of the DCRR with an effective date of January 1, 2026. The difference between the approved interim rates and the final rates will be addressed in future BA adjustments. The Board also approves the Direct Monthly Payments for OATT MEUs, effective January 1, 2026. At the MEU's election, future monthly payments in 2026 may be adjusted to account for the difference between the interim and approved monthly payments so that total

¹ M12551 – Board Interim Order, 326735, page 2. December 22, 2025.

payments in 2026 equal the annual PCR amounts payable by these customers (as set out in Exhibit N-1, p. 6). NS Power must promptly notify the Board if the MEUs elect to vary their monthly payments as noted.²

In accordance with the Board’s directive, this correspondence is to notify the Board that the Open Access Transmission Tariff (OATT) Municipal Electric Utilities (MEUs) have elected to adjust their direct monthly payments from those presented in Figure 2 (page 6) of the Company’s 2026 DCRR Application, as approved in the Board’s March 31 Decision. Specifically, the MEUs have requested that NS Power make the necessary adjustments to the monthly payments on a go-forward basis starting in May 2026, such that the total DCRR direct monthly payments for January to December 2026 equal the total approved 2026 DCRR amounts.

Justification for confidential information is consistent with that requested in the Company’s 2025 DCRR Application (M11912), as filed October 22, 2025.

Pursuant to the Board’s Interim Order, the Company continued to bill the OATT MEUs the same amounts in 2026 as in 2025. As the OATT MEUs have elected for the 2026 DCRR monthly payments effective in May 2026, the Company has adjusted the monthly payment schedule to account for the 2025 DCRR amounts to be collected from January to April, inclusive.

Table 1 summarizes the adjustments made to derive the revised 2026 DCRR direct monthly payment schedule for each of the four OATT MEU customers.

Table 1 – Adjustments to the 2026 DCRR Direct Monthly Payment Schedule

OATT MEU Customer	Monthly 2025 DCRR Payment ³	Total 2025 DCRR to be Collected (Jan to Apr) ⁴	Annual 2026 DCRR Amount (as approved) ⁵	Annual 2026 DCRR, less 2025 DCRR to be Collected ⁶	Revised Monthly 2026 DCRR Payment ⁷
Customer A			\$317,355	\$179,614	\$22,452

² M12521 – Board Decision, 328766, page 3. March 31. 2026.

³ M11912 – Board Order, 317915, page 2. December 31, 2024. The amounts include the sum of DCRR billings under the Municipal Tariff, as listed in Figure 2: Direct DSM Billings in the 2025 DCRR Application as well as the fixed monthly charged amounts to individual OATT MEUs under the BUTU Tariff.

⁴ Represents the total 2025 DCRR direct monthly payments to be collected from January to April 2026, inclusive.

⁵ As presented on page 6 (Figure 2) of the 2026 DCRR Application, these figures represent the DSM costs budgeted by EfficiencyOne (E1) for the 2026 DSM Program Year (i.e. total recovery for the January to December 2026 period).

⁶ Represents the 2026 DSM costs budgeted by E1 for the 2026 DSM Program Year minus the amount in the “Total 2025 DCRR to be Collected” column.

⁷ Represents the amounts to be recovered from OATT MEUs for the remaining eight months (May through December) of 2026.

OATT MEU Customer	Monthly 2025 DCRR Payment ³	Total 2025 DCRR to be Collected (Jan to Apr) ⁴	Annual 2026 DCRR Amount (as approved) ⁵	Annual 2026 DCRR, less 2025 DCRR to be Collected ⁶	Revised Monthly 2026 DCRR Payment ⁷
Customer B			\$51,858	(\$15,381)	–
Customer C			\$41,956	\$17,756	\$2,220
Customer D			\$11,324	(\$2,873)	–
Total	\$60,844	\$243,376	\$422,492	\$223,792	\$24,671

Following the collection of 2025 DCRR payments for the January to April period, two of the four OATT MEU customers will have exceeded their approved 2026 DCRR balances.

The Company respectfully requests approval of:

- the revised 2026 DCRR direct monthly payment amounts for Customer A and C, as provided in the blue-shaded column in Table 1, effective May 1, 2026; and
- a one-time credit to Customer B and D to be included on their May 2026 bills as provided in Table 1.

The Company has reviewed this information with MEU counsel prior to filing and has copied Counsel for the MEUs on this correspondence and requests MEU Counsel provide comment to the Board confirming its agreement with the approach proposed by NS Power.

Yours truly,



Michael Willett
Director, Regulatory Finance