

REDACTED

Request IR-1:

Reference: Ex. N-1(C)(i) Appendix D – Affiliate Transaction Reconciliation (excel) ("2025 Transaction Listing" tab), rows 643-666 and columns E-G and Ex. N-1, Report, Non-Regulated Charges, Appendix D(15), p. 123.

Preamble: The "2025 Transaction Listing" tab of the spreadsheet contains a reconciliation block (following the itemized transaction rows which appear to correspond with Appendix D(15)) showing a Pricing Exception "Sale/Due to" total of \$19,892,335.44, a "Purchase/Due from" total of \$58,423,264.18, and a combined total of \$78,315,599.62, followed by a schedule of "Non-Regulated" adjustments totaling (\$2,177,176.71), and a final line titled "Total of Affiliate Transactions (after removing non-regulated charges)" of \$76,138,422.91.

(a) Please explain the purpose of this reconciliation block, including what amounts are being reconciled and how the non-regulated adjustments are applied to arrive at the final total.

(b) How does the \$76,138,422.91 final total relate to the category totals reported in Figures 3 and 6 of the 2025 Report (i.e., the separate NSPML, and other-affiliate transaction totals)? Please identify whether any of those category totals are included in, or otherwise reconcile to the \$76,138,422.91 figure?

(c) Please provide further details regarding row 658, the issuance of common stock to Emera Inc. and explain the asterisk.

2025 Affiliate Code of Conduct Report (NSEB M12883)
NSPI Responses to Industrial Group Information Requests

REDACTED

Response IR-1:

- (a) The reconciliation block removes non-regulated charges from the total annual sales and purchases to determine total affiliate transactions for the year. The non-regulated charges are separately identified in the reconciliation and deducted from total sales and purchases to arrive at the total affiliate transaction amount. A detailed listing of the non-regulated charges excluded from affiliate transactions is provided in Appendix D(15).
- (b) The amount of \$76,138,422.91 represents total affiliate transactions excluding transactions with NS Power Energy Marketing Inc. (NSPEMI) and NSP Maritime Link Incorporated (NSPML). Transactions with NSPEMI and NSPML are reported separately in the 2025 Affiliate Code of Conduct Report and are therefore excluded from this amount.
- (c) Figure 3 reports transactions between NS Power and NSPML and is not included in the \$76,138,422.91. Figure 6 reports affiliate transactions excluding NSPML and NSPEMI and forms the basis of the reconciliation below.

Description	Amount	Explanation
Figure 6 - Total Affiliate Transactions (excluding NSPML and NSPEMI)	\$71,272,513	Total affiliate transactions (excluding NSPML and NSPEMI) reported in Figure 6 of the 2025 Report.
Natural Gas Purchases (Emera Energy Services Inc.)		Included in Appendix D under transactions with Emera Energy Services Inc. and included in Appendix E under transactions with NSPEMI. See note at the bottom of Appendix D(2).
Performance Share Units - NSPML	(\$3,986)	Non-regulated charge adjusted from affiliate transactions. The amount was reported in error as \$3,986 in the reconciliation block in Appendix D. The correct figure is \$3,890, as correctly reported in Appendix D(15), resulting in a difference of \$96.

2025 Affiliate Code of Conduct Report (NSEB M12883)
NSPI Responses to Industrial Group Information Requests

REDACTED

Description	Amount	Explanation
50% Short term Incentive payout – NSPML	(\$3,986)	Non-regulated charge reported in Appendix D(15) and adjusted from affiliate transactions.
Total	\$ [REDACTED]	

The issuance of common stock is related to the Part VI.1 tax transaction as specified in the Cost Allocation Manual (CAM) section 17.5. This section describes the transfer of the net Part VI.1 tax benefit from Emera Inc. to NS Power and the subsequent issuance of common stock by NS Power as consideration for the settlement of the amount payable to Emera Inc. The related transactions are reported as non-regulated charges in Appendix D(15).

The asterisk on row 658 may be disregarded for purposes of the reconciliation included in Appendix D. The wording for this item was carried forward from Appendix D(15), where the asterisk referenced the explanatory note at the bottom of Appendix D(15). The asterisk has no relevance to the reconciliation in Appendix D.

NON-CONFIDENTIAL

Request IR-2:

Reference: Ex. N-1, Report, Appendix B, 2025 NS Power Corporate Scorecard, p. 3/3 (pdf 100/175)

Preamble: Appendix B reports that the Financial - Sustainable financial results objective (Net Income, 30% weighting) achieved a result of "Below Target" with an approved payout of 13.4%, and the related Cash Flow from Operations objective (10% weighting) achieved "Below Threshold" with an approved payout of 0%. Footnote 2 of Appendix B further states that "the NS Power Board exercised its discretion to adjust elements of the BSC, making changes it felt were appropriate given the unique challenges in 2025," such that "the measures may not align in the same way they typically do in a standard year."

(a) Please identify and describe each element of the 2025 Balanced Scorecard that the NSPI Board adjusted in the exercise of its discretion, including the objective(s) affected, the nature of the adjustment, and the reason given by the Board for each adjustment.

(b) Please quantify the effect of each such Board adjustment on the overall approved 2025 Balanced Scorecard result of 98.4% of target, including what the result would have been absent the adjustment(s).

(c) Please confirm whether any of the Board's discretionary adjustments affected the short-term incentive payouts made to employees involved in affiliate transactions, and if so, describe the effect.

2025 Affiliate Code of Conduct Report (NSEB M12883)
NSPI Responses to Industrial Group Information Requests

NON-CONFIDENTIAL

1 Response IR-2:

2
3 (a) The NS Power Board exercised its discretion to adjust certain elements of the 2025
4 Balanced Scorecard (BSC) in light of the unique challenges experienced during the year.
5 As part of its year-end review, the Board applied a discretionary downward adjustment to
6 the Financial Earnings measure to reflect overall business performance considerations. The
7 Board also applied a discretionary upward adjustment under the People measure,
8 recognizing the significant efforts made by employees to maintain business continuity
9 during the 2025 cyber incident, which affected the Company's ability to fully achieve
10 certain training-related objectives. In addition, the Board applied a 10 percent reduction to
11 short-term incentive outcomes for Vice President positions and above to reflect executive
12 accountability for the Company's performance during the year.

13
14 (b) The net effect of the Board's discretionary adjustments was an increase of 3.4 percentage
15 points to the overall 2025 BSC result. The Board-approved result was 98.4 percent of
16 target. Absent these discretionary adjustments, the overall Balanced Scorecard result would
17 have been 95.0 percent of target.

18
19 (c) To the extent that employees involved in affiliate transactions participated in NS Power's
20 short-term incentive plan, the Board's discretionary adjustments affected their short-term
21 incentive outcomes in the same manner as other eligible NS Power employees.

22
23 In cases where employees transferred between NS Power and an affiliate during the year,
24 short-term incentive payouts were prorated based on the period of time worked with each
25 organization. Any Board-approved adjustments to NS Power's short-term incentive
26 outcomes were applied to the NS Power portion of the employee's prorated incentive
27 payment.

NON-CONFIDENTIAL

Request IR-3:

Reference: Ex. N-1, Report, Appendix D(9a), Note, pdf. 116; Appendix D(9b), Note, pdf. 117; Appendix D(10a), Note, pdf. 119; Appendix D(10b), Note, pdf. 120.

Preamble: The notes to Appendices D(9a), D(9b), D(10a) and D(10b) disclose that, due to the 2025 cyber incident, actual monthly statistical allocator data (e.g., Accounts Payable transaction counts, IT computer/user counts, Procurement transaction counts) was only available for part of 2025, with earlier-period data (e.g., April 2025) or forecast/estimated allocators used for the remaining months, and that "a significant portion of M&A Services in 2025 were billed based on Forecast," with a true-up expected in 2026.

(a) Please quantify, in dollars and as a percentage of total 2025 M&A Services charges (both NSPI charges to affiliates per Appendix D(9) and Emera charges to NSPI per Appendix D(10)), the portion that was billed on a forecast or estimated basis rather than actual data.

(b) Please describe the methodology used to generate the forecast/estimated allocators referenced in Appendices D(9a), D(9b), D(10a) and D(10b), including what actual data (if any) informed the estimates.

(c) Please confirm the expected timing of the 2026 true-up referenced in these appendices, describe the true-up mechanism, and confirm whether the true-up will be reflected in the 2026 Affiliate Code of Conduct Report or otherwise reported to the Board.

(d) Please confirm whether any affiliate was over- or under-charged in 2025 because of reliance on forecast rather than actual allocator data, and if so, by what amount.

2025 Affiliate Code of Conduct Report (NSEB M12883)
NSPI Responses to Industrial Group Information Requests

NON-CONFIDENTIAL

1 Response IR-3:

2
3 (a) Please note that the Affiliate Code expressly contemplates the use of budgets and forecasts
4 to determine M&A Services pricing with the requirement of an annual true-up to actual
5 costs. Section 6.3.3 states, “Where budgets or estimates of costs have been used to
6 determine the initial pricing of M&A Services, actual costs will be used to determine the
7 true-ups that should be made periodically but at least annually.” M&A Service costs in
8 2025 that were determined based on budgets and estimates were completed in compliance
9 with the Affiliate Code.

10
11 The total amount of 2025 M&A Services charges billed by NS Power to affiliates using
12 forecasted or estimated data rather than actual data was \$321,817, representing 2.8 percent
13 of total 2025 M&A Services charges to affiliates (including NSPEMI and NSPML).

14
15 The total amount of 2025 M&A Services charges billed by Emera to NS Power using
16 forecasted or estimated data rather than actual data was \$8,266,126, representing 81.0
17 percent of total 2025 M&A Services charges to NS Power.

18
19 (b) The forecasted or estimated allocators used by NS Power for charges billed to affiliates
20 relating to Accounts Payable, Health & Wellness, Procurement, and Corporate Overhead
21 were based on pre-cyber incident data, specifically March 2025 results. March 2025 was
22 considered a reasonable proxy and was used until systems were restored and actual data
23 became available.

24
25 The forecasted or estimated allocators used by Emera for charges billed to NS Power were
26 based on the following methodology:

- 27
28 • Q1 2025 forecast allocators were used until Q3 2025 forecast allocators became
29 available. All estimates were subsequently trued up to actual results once actual
30 allocation data became available in 2026.

2025 Affiliate Code of Conduct Report (NSEB M12883)
NSPI Responses to Industrial Group Information Requests

NON-CONFIDENTIAL

- 1 • For periods billed based on estimates, allocation metrics established through the
2 quarterly forecasting process were applied. Specifically, charges from April
3 through September 2025 were allocated using full-time equivalent (FTE)
4 assumptions and cost centre allocation metrics developed as part of the Q1 Forecast.
5 Following completion of the Q3 Forecast, updated forecast FTE counts, estimated
6 recoveries, and revised cost centre allocation metrics were used for the remaining
7 estimated billing periods.

- 8
9 • Forecast FTE levels reflected the most current information available at the
10 time and were used in place of actual employee counts until actual data
11 became available. Changes in forecasted FTE levels between forecast
12 periods were minimal and did not have a significant impact on the resulting
13 allocations.

- 14
15 • Cost centre allocation metrics were also updated as part of the quarterly
16 forecasting process and were applied in determining the estimated
17 allocations during the affected periods.

- 18
19 (c) The true-up of Emera charges to NS Power has been completed and recorded in 2026. The
20 true-up of NS Power charges to affiliates is expected to be completed in Q4 2026.

21
22 The true-up process involves obtaining the actual allocation data, recalculating the
23 applicable allocations using that data, comparing the recalculated amounts to the forecast
24 or estimated amounts previously billed, and recording or billing any resulting adjustment.

25
26 Any true-up amounts recorded in 2026 will be reflected in the 2026 Affiliate Code of
27 Conduct Report.

- 28
29 (d) Charges based on forecasted allocation data will not necessarily align with amounts
30 determined using actual allocation data and, as a result, may require true-up adjustments.
-

2025 Affiliate Code of Conduct Report (NSEB M12883)
NSPI Responses to Industrial Group Information Requests

NON-CONFIDENTIAL

1 For 2025, charges to NS Power from Emera in 2025 were \$593,383 higher than the actual
2 costs due to the reliance on forecasted allocation data. This amount was trued up in 2026
3 and recovered from Emera.

4
5 The true-up of NS Power's M&A Services charges to affiliates is expected to be completed
6 in Q4 2026. Based on the relatively small portion of NS Power's M&A Services charges
7 that were billed using estimated data, as set out in part (a), any resulting adjustments are
8 not expected to be significant.