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October 20, 2026

Delivered by Email

Crystal Henwood
Regulatory Affairs Officer/Clerk
Nova Scotia Energy Board
3rd Floor, 1601 Lower Water Street
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Halifax, NS B3J 3S3

Dear Ms. Henwood:

Re: M12883 – NSPI – Affiliate Code of Conduct Report 2025

The Industrial Group (**IG**) has reviewed NSPI's Affiliate Code of Conduct Report and Responses to Information Requests and offers the following comments regarding estimates and true-ups.

The IG takes no position on whether the Board should accept the 2025 Report as filed. However, to address matters that were not fully reconciled in the current Report, the IG recommends that the Board direct NSPI to include a complete reconciliation of all 2025 amounts initially billed, or not billed, on a forecast or estimated basis within its 2026 Affiliate Code of Conduct Report (the **2026 Report**).

Section 6.3.3 of the Affiliate Code of Conduct requires that, where budgets or estimates have been used to determine initial Management and Administrative ("**M&A**") Services pricing, actual costs must be used to true up those prices at least annually.¹ NSPI has stated that, due to the 2025 cyber incident, 2.8% of its M&A Services charges to affiliates and 81.0% of Emera's charges to NSPI were billed on a forecast or estimated basis.² IT support and ServiceNow charges to Tampa Electric were also not billed in 2025 and were instead billed in 2026.³ The proportion of Emera charges billed to NSPI on an estimated basis makes transparent reconciliation particularly important to assessing compliance with the Affiliate Code and the reasonableness of the amounts ultimately allocated to regulated operations.

NSPI states that the Emera-to-NSPI true-up, in the amount of \$593,383, has been completed and recorded in 2026. The NSPI-to-affiliates true-up remains outstanding and is expected to be completed in Q4 2026.⁴ Given the extent of the estimated billing and the timing of the resulting

¹ N-2, NSPI (IG) IR-3(a).

² N-2, NSPI (IG) IR-3(a))

³ N-3, NSPI (NSEB) IR-6.

⁴ N-2, NSPI (IG) IR-3(c)-(d).

adjustments, IG recommends that the following reconciliation information be included in the 2026 Report:

1. A dedicated reconciliation schedule. The 2026 Report should identify, by affiliate and cost category: (i) the amount originally forecast or estimated for 2025; (ii) the actual cost; (iii) the resulting adjustment; (iv) the date the adjustment was recorded or billed; and (v) the methodology and actual allocator data used to determine the actual cost, including the variance between the forecast and actual allocators. The methodology information is necessary to verify the resulting adjustments and assess the reasonableness of NSPI's use of Q1/Q3 forecast FTE counts for Emera charges and March 2025 proxy data for several NSPI cost categories.⁵

For the outstanding NSPI-to-affiliates true-up, the schedule should report the final amount following completion in Q4 2026 and is consistent with NSPI's commitment to reflect amounts recorded in 2026 in the 2026 Report.⁶

2. Reconciliation of the Tampa Electric charges. The 2026 Report should reconcile the \$2,925,323 billed in 2026 for 2025 IT support and ServiceNow services against the \$0.37 million reported in Appendix E for 2025 charges to Tampa Electric. The reconciliation should explain the timing and classification of the amounts and confirm the final collection status of the remaining \$275,561.⁷

3. Confirmation of the scope of audit and compliance testing. NSPI stated that Audit Services will conduct an internal audit of 2026 affiliate transactions and that the results will be reported through the annual reporting process, in addition to its quarterly finance testing.⁸ NSPI should confirm that all true-up transactions, including adjustments relating to 2025 services recorded or billed in 2026, will be included in both the compliance testing and the 2026 internal audit.

⁵ N-2, NSPI (IG) IR-3(b).

⁶ N-2, NSPI (IG) IR-3(c).

⁷ N-3, NSPI (NSEB) IR-6.

⁸ N-3, NSPI (NSEB) IR-9(a).

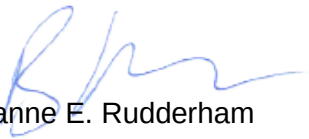
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Thank you for the opportunity to provide these comments.

Yours truly,



Nancy G. Rubin, K.C.



Brianne E. Rudderham

NGR/BER/cj

c. Participants in M12883