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October 20, 2026

VIA WEB PORTAL & EMAIL

Crystal Henwood, Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
P.O. Box 1692, Unit "M"
Halifax, NS B3J 3S3

Dear Ms. Henwood:

**Re: M12883 - NSPI - Affiliate Code of Conduct Report for 2025
Comments from Interested Parties**

The Consumer Advocate (CA) has reviewed Nova Scotia Power Inc's ("NS Power") 2025 Affiliate Code of Conduct Report (the "Report"), as well as responses to Information Requests filed by various parties in this proceeding.

As noted in the Report, "the 2025 Report provides an overview of transactions between NS Power and its affiliates, providing transparency and accountability to the Company's compliance with the 2020 Affiliate Code."¹ In the Report, NS Power has addressed transactions with NS Power Energy Marketing Inc. (NSPEMI) and NSP Maritime Link Incorporated (NSPML) in two separate sections, with the transactions between NS Power and all remaining affiliates addressed in a third section.

On review, the CA accepts that the Report complies with the 2020 Affiliate Code effective January 1, 2020 and the most recent Cost Allocation Manual (CAM) effective February 1, 2024 in M11107.

With respect to the various transactions with affiliates, the CA notes the following:

- NSPEMI – Compared to 2024, NSPEMI's sales of natural gas to US markets increased by \$3.7M in 2025, while purchases of natural gas and electricity from US markets decreased by \$32.3M.² NS Power also provided NSPEMI with M&A Services for Accounts Payable valued at \$8,985 (representing an increase of \$3,993 compared to 2024).
- NSPML – In 2025, NSPML provided goods and services to NS Power valued at \$184.9 million, an increase in \$509.1 million from -\$324.2 million in 2024. NS Power charged labour, management and administrative services and other transaction to NSPML at a value that is \$0.1 million less than services provided in 2024. The increase in 2025 is primarily driven by the one-time refund of \$485.9 million received by NSP in 2024 for prior

¹ 2025 Affiliate Code of Conduct Report, Exhibit N-1, p. 6 of 28.

² 2025 Affiliate Code of Conduct Report, Exhibit N-1, p. 8 of 28.

Maritime Link assessment payments enabled by a federal loan guarantee (FLG2).³ The Maritime Link assessment in 2025, excluding FLG2 was \$158.2 million. Compared to the 2024 assessment of \$161.7 million, this is a decrease of \$3.5 million. Including the FLG2, the 2025 assessment was \$197.2 million.⁴

- Other Affiliates – NS Power’s other affiliates include Brooklyn Power (biomass electrical co-generation facility located in Brooklyn, Nova Scotia)⁵; Emera Brunswick Pipeline (gas transmission pipeline in New Brunswick)⁶; Emera Energy Inc. (physical natural gas, power marketing, and asset management business)⁷; Tampa Electric (public regulated electric utility serving customers in West Central Florida)⁸; Emera Inc. (energy and services company)⁹; and other relatively smaller affiliates.¹⁰ NS Power provided approximately \$19.9 million in goods and services to these affiliates in 2025, and received \$51.4 million in goods or services from these affiliates.¹¹

The CA does not dispute any aspect of the Report, but is concerned about the extent to which NS Power relied upon forecasts and estimates for certain management and administrative (M&A) costs. In particular, NSP (IG) IR-3 inquired into the extent to which M&A service charges in 2025 relied on forecasted or estimated allocation data following the cyber security incident, including the amounts affected, the methodologies used, the timing and process for true-ups, and whether any over or under charging resulted.

In response, NS Power explained the use of forecast and estimated data is permitted under the Affiliate Code and subject to annual true-up processes. NS Power also indicated that approximately \$328,000 was billed by NS Power to its affiliates based on forecasted or estimated data instead of actuals and \$8.266 million was billed by Emera to NS Power based on estimated data. NS Power also noted charges to NS Power from Emera were \$593,000 higher than actual costs due to the reliance on forecast data. NS Power stated this amount was trueed up in 2026 and recovered from Emera. NS Power indicates it will complete the true-up for its charges to affiliates in Q4 of 2026 but due to the small overall value of the transactions billed to affiliates based on forecasts or estimates does not expect any adjustments to be material.

The CA has previously raised concerns regarding the impact of the cyber security incident on NS Power costs. Without limiting any positions or submissions the CA intends to provide in the cyber security incident proceedings, the CA submits that the Board may wish to direct NS Power to report on actions it has taken or plans to take to mitigate the impact of future cyber security events, including the need to rely on forecasts or estimates for affiliate transactions, and to provide such a report at the time of its next Code of Conduct report filing.

The Consumer Advocate thanks the Board for the opportunity to participate in this matter and provide these submissions.

³ NSP Affiliate Code of Conduct 2025 Report, page 10 of 28.

⁴ NSP Affiliate Code of Conduct 2025 Report, page 10 of 28.

⁵ NSP Affiliate Code of Conduct 2025 Report, Appendix A, page 27 of 69.

⁶ NSP Affiliate Code of Conduct 2025 Report, Appendix A, page 9 of 69.

⁷ NSP Affiliate Code of Conduct 2025 Report, Appendix A, page 6 of 69.

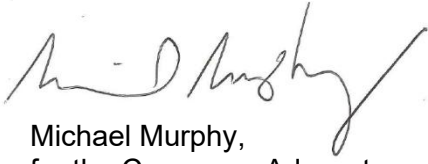
⁸ NSP Affiliate Code of Conduct 2025 Report, Appendix A, page 37 of 69.

⁹ NSP Affiliate Code of Conduct 2025 Report, Appendix A, page 2 of 69.

¹⁰ A complete list of affiliates is available in Appendix A of the Report.

¹¹ NSP Affiliate Code of Conduct 2025 Report, page 12 lines 3-7.

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A handwritten signature in black ink, appearing to read "Michael Murphy", with a long, sweeping horizontal line extending to the right.

Michael Murphy,
for the Consumer Advocate

cc. Participant List