

June 5, 2026

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

Re: M12887 – Nova Scotia Power Inc. – Application of Short Run Marginal Cost (SRMC) Test to Rates Report for 2025 – Refile

Dear Ms. Henwood:

In its letter dated June 3, 2026, the Nova Scotia Energy Board (NSEB, Board) requested clarification regarding the 2025 Short Run Marginal Cost (SRMC) Report filed by Nova Scotia Power Inc. (NS Power, Company) on May 29, 2026. The Board provided as follows:

The Board has a question relating to its review of Figure 4. (Trends in Annual Energy Requirement, Unit Revenues and Marginal Costs).

In Figure 4. (Trends in Annual Energy Requirement, Unit Revenues and Marginal Costs), please confirm the Average versus Marginal Fuel Costs at Generator's Gate 2025 values for Average system fuel costs (\$/MWh) and Average marginal costs (\$/MWh). Additionally, please confirm the values in the corresponding column percentage (%) Change in 2025 for the identified measures. If revisions are necessary, please file a revised report.

NS Power confirms that the 2025 value for Average Marginal Fuel Cost at the Generator's Gate is reported correctly. However, the Average System Fuel Cost (\$/MWh) for 2024 and 2025 was reported incorrectly. The correct values are \$88.08/MWh for 2024 and \$92.82/MWh for 2025.

In addition, the percentage changes presented in the "% Change in 2025" column for these measures were incorrectly calculated using 2024 values instead of 2025 values.

NS Power also identified an error in the calculation of the FAM-adjusted unmetered unit revenue, expressed in cents per kWh. The corrected value is 18.90 cents per kWh, revised from 19.47 cents per kWh.

Figure 4 and Figure 1.2 (SRMC Test) in Appendix B have been updated to reflect these corrections. As a result, certain 2025 values in Figures 5 and 6 have also been revised. These corrections do not affect the overall SRMC test results presented in Figure 3. All rate classes continue to pass the SRMC test for 2025.

Should you have any questions or require further information, please do not hesitate to contact the undersigned.

Yours truly,

A handwritten signature in blue ink, appearing to read "Mike Willett".

Michael Willett
Senior Director, Regulatory

cc: Blake Williams, VP Legal & Regulatory