Request IR-1:

Please provide a comparison of budget and actual spending for all distribution routines for the years 2021-2025.

Response IR-1:

Please note that D055 is the only routine in this application seeking Board approval for an ATO, and therefore only data relating to D055 has been provided. The data requested is included in ACE Plan applications and Q4 capital reporting for other distribution routines, and therefore that detail has not been provided in this response.

Please refer to the below tables:

Routine Title	Routine	2021		
		Budget ($)	Actuals ($)	Variance ($)
Planned Replacement of Deteriorated Equipment	D055	7,411,523	9,198,587	1,787,064

Routine Title	Routine	2022		
		Budget ($)	Actuals ($)	Variance ($)
Planned Replacement of Deteriorated Equipment	D055	8,316,064	8,688,829	372,765

Routine Type	Routine	2023		
		Budget ($)	Actuals ($)	Variance ($)
Planned Replacement of Deteriorated Equipment	D055	8,545,860	9,797,413	1,251,553

Routine Type	Routine	2024		
		Budget ($)	Actuals ($)	Variance ($)
Planned Replacement of Deteriorated Equipment	D055	8,790,476	12,512,179	3,721,703

Routine Type	Routine	2025		
		Budget ($)	**Actuals ($)**	**Variance ($)**
Planned Replacement of Deteriorated Equipment	D055	10,620,862	21,980,684	11,359,822

1

Request IR-2:

(a) Please provide a workbook in native format with a breakdown of project actual costs by account compared to budget for all distribution routines for 2025.

(b) Please provide a table with the following actual costs for the most recent five years for all distribution routines for 2021-2025.

(i) Regular labour
(ii) Overtime labour
(iii) Contracts
(iv) Materials
(v) Revenue (or capital contributions)
(vi) Administrative Overhead
(vii) All Other
(viii) Total

(c) In CA RIR-3, M12319, NS Power was asked to explain the reason that overtime labour is used for each referenced distribution routine. In its response, NS Power stated, "Overtime in Distribution Routines generally is required to respond to customer outage/emergency events or customer power connections on the distribution system." Please explain how this reason applies to each of the following distribution routines, individually. If this reason does not apply to the distribution routine, please supplement your response given in M12319 with the applicable reason.

(i) D004 New Customer Upgrades
(ii) D006 Regulatory Replacements - Province Estimates
(iii) D007 Joint Use
(iv) D051 System Performance Improvement Routine

(v) D055 Planned Replacement Deteriorated Equipment

(vi) D061 New Customers - Residential

(vii) D062 New Customers – Commercial

(d) For each distribution routine referenced in part (c), please state whether the trend in overtime labour is increasing, stable, or decreasing (or mixed, if unclear). For each routine with an increasing (or mixed) trend in overtime labour, please explain the reason that NS Power has not been able to restrain increases in overtime labour.

(e) For each distribution routine referenced in part (c), please state whether there has been any indirect effects on cost – such as increased use of overtime labour – resulting from work groups being reassigned to storm response or a capital project during their regular hours.

Response IR-2:

(a) Please refer to Attachment 1 for D055 2025 costs by account compared to budget. The detailed data for other distribution routines has not been provided, as it is outside of the scope of this routine ATO proceeding.

(b) Please refer to Attachment 1 for D055 spend from 2021-2025. As noted in part (a), detailed data for other distribution routines has not been provided.

(c) The statement made in M12319 refers to the overtime in NS Power's reactive routine for unplanned replacement of deteriorated equipment (D005) and the three new customer routines (D004, D061, and D061).

(i) D004 New Customer Upgrades: As stated in M12319, Customer Power Connections.

(ii) D006 Regulatory Replacements: Overtime in this routine is driven by specific project or work order requirements for after hours or weekend work. For example, this could be required customer outages or highway crossing work that can only be done in the evening or on weekends.

(iii) D007 Joint Use: Overtime in this routine is driven by specific project or work order requirements for after hours or weekend work. For example, this could be required customer outages or highway crossing work that can only be done in the evening or on weekends.

(iv) D051 System Performance Improvement: Overtime in this routine is driven by specific project or work order requirements for after hours or weekend work. For example, this could be required customer outages or highway crossing work that can only be done in the evening or on weekends.

(v) D055 Planned Replacement Deteriorated Equipment: Overtime in this routine is driven by specific project or work order requirements for after hours or weekend work. For example, this could be required customer outages or highway crossing work that can only be done in the evening or on weekends.

(vi) D061 New Customers – Residential: As stated in M12319, Customer Power Connections.

(vii) D062 New Customers – Commercial: As stated in M12319, Customer Power Connections.

(d) NS Power has structured its response to focus on D055, which is the only routine being considered under this ATO application of the sample noted in part (c) above. The trend in overtime labour for D055 is decreasing when measured as a percentage of total labour spend. While the absolute dollar value of overtime costs has increased due to the overall increase in D055 work volume in 2025, overtime as a percentage of total labour expenditures has declined, indicating that NS Power has been able to execute the increased volume of condition-driven work primarily through regular-time labour hours rather than through increased reliance on overtime. This trend reflects NS Power's efforts to expand field resource capacity through recruitment of additional Power Line Technicians and expanded contractor capacity, allowing the increased D055 work to be performed more efficiently during regular working hours.

(e) The specific reasoning for using overtime is not tracked and recorded for each work order in this routine.

REDACTED (CONFIDENTIAL INFORMATION REMOVED)

D055	**2021 Actuals ($)**	**2022 Actuals ($)**	**2023 Actuals ($)**	**2024 Actuals ($)**	**2025 ACE ($)**	**2025 Actuals ($)**	**Variance ($)**
Regular Labour and Term Labour	2,031,545	1,778,938	1,496,081	1,731,589	1,908,102	3,446,135	1,538,032
Overtime Labour	388,548	344,499	530,585	480,421	498,552	604,444	105,892
Materials	1,957,482	745,317	1,610,965	1,937,042	1,507,467	4,102,720	2,595,253
Contracts/Consulting	1,982,074	2,918,201	3,448,410	5,443,006	3,808,550	8,579,368	4,770,818
Meals/Travel and Other	25,546	68,596	42,369	42,107	26,747	127,280	100,533
Royalty, Easement,Appraisal	173,297	206,239	-11,244	72,899	112,391	91,385	(21,006)
Contractor Overhead	329,676	514,566	651,259	824,332	545,811	1,215,559	669,748
Vehicle Allocated Costs	851,772	762,886	698,901	1,005,427	1,062,008	1,794,948	732,941
Admin Overheads	1,518,626	1,413,118	1,437,637	1,103,952	1,221,637	2,115,834	894,197
Salvage	-50,708	-66,366	-105,752	-75,462	(61,688)	(91,806)	(30,118)
Total	**9,207,856**	**8,685,993**	**9,799,211**	**12,565,311**	**10,629,577**	**21,985,867**	**11,356,290**
Capital Contributions	-9,269	2,836	-1,798	-53,132	(8,715)	(5,183)	3,532
Overall Total	**9,198,587**	**8,688,829**	**9,797,413**	**12,512,179**	**10,620,862**	**21,980,684**	**11,359,822**

Request IR-3:

Please provide data comparing budget versus actuals for D055 for 2021-2025 broken down by Bin Work, Field Driven Work, Street Light and Service Removals, "larger discrete capital projects targeting to improve reliability a given area or with a type of equipment," or any other relevant categorization tracked by NS Power.

(a) Please provide the number of work orders (or projects) for each category. If no estimates exist for budget purposes, please explain why not.

(b) Please provide the regular and labour person hours for each category. If no estimates exist for budget purposes, please explain why not.

(c) Please provide any other available information on the costs and drivers of D055 (including but not limited to those stated in the ATO).

(d) Please provide a brief definition of each of these categories.

Response IR-3:

Please refer to the below tables comparing budget versus actuals for 2021-2025.

	Bin Work		
D055	**Budget ($)**	**Actuals ($)**	**Variance ($)**
2021	1,819,372	4,571,900	2,752,528
2022	2,425,651	2,567,200	141,549
2023	3,278,247	2,953,982	(324,265)
2024	3,216,687	3,857,084	640,397
2025	1,839,350	12,052,623	10,213,273

	Field Driven Work		
D055	**Budget ($)**	**Actuals ($)**	**Variance ($)**
2021	1,052,019	1,811,154	759,135
2022	1,847,174	3,630,286	1,783,112
2023	2,230,778	3,920,592	1,689,814
2024	2,597,565	4,857,028	2,259,463
2025	3,700,926	5,419,607	1,718,681

	Streetlight		
D055	**Budget ($)**	**Actuals ($)**	**Variance ($)**
2021	1,234,178	1,128,045	(106,133)
2022	1,210,382	1,119,659	(90,723)
2023	1,093,909	1,995,714	901,805
2024	984,811	2,324,084	1,339,273
2025	1,720,778	2,646,542	925,764

	Capital Projects		
D055	**Budget ($)**	**Actuals ($)**	**Variance ($)**
2021	3,305,954	1,687,489	(1,618,465)
2022	2,832,857	1,371,683	(1,461,174)
2023	1,942,926	927,125	(1,015,801)
2024	1,991,413	1,473,983	(517,430)
2025	3,359,808	1,861,911	(1,497,897)

(a) Please refer to NSEB IR-2 for the number of work orders for each category.

(b) NS Power does not maintain detailed regular and labour person hour estimates for D055 work. The person hours is a metric provided for the D005 routine submissions and is based on the total costs divided by the average Powerline Technician (PLT) rate. The nature of the D005 routine would result in mainly PLT labour for the trouble calls. For D055, the types of labour person hours are much broader and would include project managers, engineers and other support personnel that would be required to plan and execute project work. Applying an average rate to total labour would not accurately reflect the D055 person hours.

(c) The primary costs and drivers of D055 are determined by asset condition data from ongoing feeder inspection programs, customer notifications, and regional engineering assessments identifying deficiencies. NS Power observed an increase in the volume of high-priority deficiencies identified through its feeder inspection programs of approximately 2,100 items in 2022 and 2023 to approximately 3,800 in 2024 and 2025 that would require intervention under D055 in 2025. The volume of deficiencies is not directly correlated to all D055 investment in 2025 but does reflect a contributor to the increased investment in 2025. The significant variance to actual spending reflects NS Power's dynamic prioritization approach, where higher-priority condition-driven work identified during the year necessitated reprioritization and deferral of lower-priority discrete projects.

(d) Bin Work is driven by the Feeder Inspection program and customer notifications. It typically results in a like-for-like replacement of deteriorated distribution assets identified through these sources. Examples of assets replaced under Bin Work include poles, insulators, crossarms, conductors, transformers, cutouts, and other distribution equipment.

Field Driven Work is identified by employees in the field outside of the formal inspection program. Depending on the source and nature of the work identified it may require input and approval from NS Power’s engineering group. Field Driven Work includes asset replacements that can be more complex than Bin Work. Examples include pole replacements coordinated with joint use relocations, conductor and hardware upgrades, and transformer replacements requiring engineering analysis.

Larger discrete capital work has a specific focus on an asset type or location. They are repetitive, like for-like capital replacements, enhancements, or additions that do not require significant project engineering support, which are set up as discrete projects within the routine, and referred to as a "part-of" project. This discrete part-of project allows for greater visibility into these initiatives. The more complex projects that are of a non-repetitive nature or require greater project management and engineering support are set up as individual capital projects outside of the routine program and are typically larger in nature.

Streetlight and service removal work is driven by customer requests to remove these assets.

Request IR-4:

Data provided in NSEB RIR-26, M12319, indicate that the average cost of a field driven work order increased from $1,481 in 2022 to $3,009 in 2023 and to $19,664 in 2024.

(a) Please confirm the values for 2022 to 2024 and provide the corresponding value for 2025.

(b) Please explain the reasons for the substantial increase in cost for each field driven work order.

(c) To the extent that NS Power references trends in specific types of field driven work orders in its response to part (b), please provide the number of work orders for each referenced work order type and the cost for those work orders.

(d) If NS Power is unable to provide quantitative support for the reasons that the average field driven work order has increased in cost, please explain why such data are not available and how NS Power's management ensures that D055 costs are minimized in the absence of such data.

Response IR-4:

(a) Please refer to the table below.

D055	Field Driven Work ($)	# of Field Driven Work Orders	Average cost per WO
2022	3,630,286	2,451	1,481
2023	3,920,592	1,303	3,009
2024	4,857,028	247	19,664
2025	5,419,607	227*	23,875*

*Please note that due to the cyber incident NS Power cannot pull January 2025 work order details. The work order numbers shown for 2025 are from February-December 2025. As a result, the average cost per work order shown above is higher than what actually occurred.

With the implementation of CI 46075 – IT – T&D WAM Phase 2 – Work Management and Scheduling & Dispatch, work orders from 2024 onwards are now structured differently than in prior years, encompassing a broader range of work in a single work order compared to prior years. For D055 in particular, there is additionally a focus on driving meaningful/complex reliability improvements in alignment with the Five-Year Reliability Plan, further broadening the elements in a single work order and obscuring any relevance on a cost per work order basis. While Bin Work typically involves straightforward like-for-like replacements, Field Driven Work includes more complex installations that require engineering support. For example, stepdown transformer replacements can exceed $150,000 per installation due to the material cost of the transformer, the need for structural upgrades (larger poles, pole-mounted platforms), crane rental, and engineering analysis to determine appropriate transformer sizing and configuration.

Accordingly, the cost per work order is not a meaningful metric for D055 work due to the variety of scope in each work order. Please refer to NSEB IR-2.

(b) As outlined in part (a), the scope of each work order can vary significantly, leading to corresponding differences in associated costs, and this variability makes it difficult to establish a meaningful trend indicating increased workload. The increase in average cost per field driven work order reflects the implementation of CI 46075, and changes in the mix and complexity of work orders rather than a systematic increase in unit costs.

(c) NS Power does not track Field Driven Work costs at the individual work order type level and therefore cannot provide the requested breakdown.

(d) NS Power ensures that D055 costs are minimized through its asset management approach which evaluates both condition and criticality to determine the risk of different asset groups and provides priorities for the maintenance and replacement of assets as appropriate, through the use of engineered standards that are regularly reviewed and updated to reflect industry best practices, and through planned replacements of deteriorated assets which allow for alternative options to be considered to replace the equipment in question, ensuring cost-effective solutions are implemented. NS Power ensures cost-effective solutions through competitive procurement where feasible, standardized unit costs for routine work activities, and engineering review to validate scope and identify alternatives. Budget estimates are informed by historical cost data from similar work, adjusted for current market conditions. Field supervision and project management ensure work is executed in accordance with approved scope and budget, with variance tracking to identify and address cost overruns. Material costs have continued to increase due to market conditions and inflation, which impacts overall routine costs even when procurement and execution practices remain cost-effective. On a day to day basis, NS Power field scheduling and operations teams work to build the schedule for line crews prioritizing opportunities to group work geographically to allow for scaled efficiencies. Work schedules are built for each crew with a goal of a dispatch schedule which minimizes drive time and set up/tear down activities. In this way, the business is utilizing best practices to ensure that work orders are executed in an efficient manner.

Request IR-5:

(a) Please provide a list of all contracts for D055 with actual expenditures for 2025. In your response, please state for each contract is standardized, negotiated on a non-standard basis, or subject to any type of competitive procurement. Please provide the contract budget and actual cost (with capital and operating expenses distinguished) for 2025.

(b) With reference to the responses to part (a), where standardized or competitively bid contracts are not used to manage costs, please explain the reasons.

(c) For each competitively bid contract, please describe the procurement including the date, the form of the procurement (e.g., RFP), and number of bids submitted and accepted.

(d) For each contract that has been in effect since 2023 (e.g., the same contract was in effect for any portion of 2022), please provide an explanation as to how, if at all, contract pricing has increased since the contract was signed.

(e) Please provide a copy of each contract for D055 with actual spending in excess of $750,000 along with detailed accounting including contract unit pricing and actual expenditures by unit.

Response IR-5:

(a) The detail as requested is not readily available for 2025. Generally speaking, contractors relied upon to complete work within the distribution routines include contractors who perform line work, and contractors who support line work by internal crews, including traffic control, excavation, and other ancillary services. Connect Atlantic Utility Services

(CAUS) is an independent third party who performs line work under the Line Services Agreement which aligns with NS Power's workforce planning model, designed to optimize the allocation and execution of PLT resources among work requirements and volumes. Other contractors who support line work by internal crews are engaged using standardized contracts and a competitive procurement process. The ACE Plan amounts are forecasts for contracts as a whole and not by individual contractor or vendor.

(b) The use of standardized contracts and a competitive procurement process consistent with NS Power's established practice is required for all contractors being used in the D055 routine.

(c) The CAUS contract was conducted through an RFP process where NS Power invited 10 proponents to bid. Four of the proponents ultimately submitted a proposal, and after review, evaluation, and negotiations, Connect Atlantic Utility Services was the successful proponent and a contract was awarded.

(d) The CAUS contract (previously PowerTel) has been in place since 2019, and most recently amended in 2025. [redacted].

(e) Please refer to Partially Confidential Attachment 1 (original CAUS contract) and Partially Confidential Attachment 2 (CAUS contract amendment). No other individual contract had actual spending in D055 of in excess of $750,000. NS Power does not track contract unit pricing or actual expenditures by unit for contractors.

Services Agreement

Between

Nova Scotia Power Incorporated

and

PowerTel Utilities Contractors Limited

Effective Date: October 1, 2019

TABLE OF CONTENTS

List of Schedules

THIS AGREEMENT signed on the _____ day of ______, 2019

BETWEEN:

NOVA SCOTIA POWER INCORPORATED,
a body corporate

("**NSPI**")

- and -

POWERTEL UTILITIES CONTRACTORS LIMITED,
a body corporate

(the "**Service Provider**")

WHEREAS:

A. NSPI has selected the Service Provider to provide the Services as hereinafter defined; and

B. NSPI and the Service Provider intend that the within Agreement shall set forth the terms and conditions of the purchase of the Services from the Service Provider.

NOW THEREFORE in consideration of the premises and the mutual covenants and obligations herein and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

1 INTERPRETATION

1.1 In this Agreement, the following terms shall have the meanings as provided below:

(a) "**Additional Services**" means any work, excluding Storm Work, requested by NSPI and agreed to be provided by the Service Provider that falls outside of work cataloged within the CU Library, including the Work outlined in Section 2.5 of Schedule "A". For certainty, Additional Services does not include Planned Work or Reactive Work within the CU Library.

(b) "**Agreement**" means this agreement between NSPI and the Service Provider including all Schedules attached hereto.

(c) "**Business Day**" means a day other than a Saturday, Sunday, or a federal, provincial, or civic holiday within the Province of Nova Scotia.

(d) "**Change Order**" means a change order issued by NSPI pursuant to Section 7.1.

(e) "**CU Hour(s)**" means the estimated amount of time required to complete a task. For greater certainty one Compatible Unit Hour equals one (1) person hour of work.

(f) "**CU Library**" means the document agreed to between the Parties entitled "CU Library" (attached hereto as Schedule A, A-5) and dated as of the Effective Date, which shall contain the CUs applicable to the Services, as amended from time to time by the Parties in accordance with the terms of this Agreement.

(g) "**Contract Price**" means the amount of compensation to be paid by NSPI for the Services as specified in Section 5.1 and Schedule "A", Section 2.

(h) "**Contract Time**" means the time period or date by which the Service Provider is required to complete and deliver the Services as specified in Section 3.1 and Schedule "A".

(i) "**Contractor Information Management System**" means ISNetworld, any successor thereof or any other entity appointed or designated from time to time by NSPI.

(j) "**Effective Date**" means the date specified on the cover page of this Agreement, and is the date upon which this Agreement becomes effective.

(k) "**Force Majeure Event**" has the meaning ascribed to it in Section 12.1.

(l) "**Party**" means either the Service Provider or NSPI. "**Parties**" means the Service Provider and NSPI.

(m) "**Planned Work**" means transmission or distribution work that is identified and presented to the Service Provider with greater than twenty-four (24) hours prior notice.

(n) "**Reactive Work**" means transmission or distribution work involved with responding to and making immediate repairs to day-to-day trouble calls, excluding Storm Work and Planned Work. Specifically, it is the work required to address line, structure, device, safety, or environmental concerns identified through system alarms, customer calls, or any other such means that indicate power system issues.

(o) "**Service Work**" means distribution hourly work that is dispatched to the Service Provider to be executed within a designated service area. Dispatched Service Work is subject to change and can include Planned Work or Reactive Work.

(p) "**Services**" means the Additional Services, Planned Work, Reactive Work, Service Work, and Storm Work to be provided by the Service Provider to NSPI under this Agreement and as more particularly described in Schedule "A". "**Services**" shall mean only the services described in Schedule "A".

(q) "**Storm Work**" means emergency transmission and/or distribution work required to be carried out in connection with a Level 1, 2, 3 or 4 storm event declared by NSPI.

(r) "**Subcontractor**" means a contractor or supplier to which NSPI has permitted the Service Provider to subcontract a portion of the Services pursuant to the terms of this Agreement.

(s) "**Work(s)**" means either Planned Work or Reactive Work, as applicable but shall not include Storm Work or Additional Services.

(t) "**Work Site**" means the land, premises and other places on, under, in or through which the Services are to be performed or carried out or upon which the Work is to be executed.

(u) "**Work Order**" means a document issued by NSPI containing the technical description and other information relating to the Work to be performed by the Service Provider under this Agreement.

(v) "**Work Package**" is the description of a discrete piece of Work offered to the Service Provider. A Work Package consists of some combination of a general work description, Compatible Unit details, drawings or sketches, structure data, and staking reports.

(w) "**Work Plan**" means the Service Provider's construction schedule detailing both the execution of the awarded Work and the forecasted Work.

Additional defined terms are set forth in the Sections that follow.

1.2 In this Agreement:

(a) the words "herein", "hereof", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, subsection or other subdivision of this Agreement;

(b) the headings are for convenience only and do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any of its provisions;

(c) the singular of any term includes the plural, and vice versa, the use of any term is generally applicable to any gender and where applicable, a corporation, and the word "including" is not limiting whether or not non limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto;

(d) any reference to any agreement (including this Agreement), or other instrument in writing, or permit, licence or approval is a reference to such agreement or instrument, or permit, licence or approval as amended, modified or replaced from time to time;

(e) any reference to a Party's obligations, unless otherwise expressly stated, refers to the Party's obligations under this Agreement;

(f) any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or such regulations;

(g) all references to "day" or "days", other than Business Days, means calendar days;

(h) unless otherwise expressly stated, all dollar amounts refer to Canadian dollars; and

(i) the Parties acknowledge having had full opportunity to consider their rights and obligations as provided herein and agree that any rule of construction to the effect that an ambiguity is to be resolved against the drafting Party shall not be applicable in the interpretation of this Agreement.

1.3 If there is any inconsistency, ambiguity or conflict between the wording of any documents listed below, the wording of the document that first appears on the list has priority over the wording of any document that subsequently appears on the list:

(a) Sections 1 to 30 of this Agreement;

(b) Any Change Orders issued by NSPI;

(c) Schedule B – Safety and Contractor Environmental Policy;

(d) Schedule D – Performance Standards;

(e) Schedule A – Services and Rates;

(f) Schedule F – Governance Model;

(g) Schedule C – Confidentiality and Non-Disclosure Schedule; and

(h) Schedule E – Form of Insurance Certificate.

2 TERM

2.1 The term of this Agreement ("**Term**") is from the Effective Date to November 30, 2023, with a one (1) year optional renewal upon NSPI's election, subject to earlier termination in accordance with the terms of this Agreement. Notice of NSPI's intention to accept the additional one (1) year renewal shall be provided to the Service Provider no later than one hundred and eighty (180) days prior to November 30, 2023 and the Parties shall agree on the Contract Price no later than one hundred and twenty (120) days prior to November 30, 2023 (the "Renewal Term"); [redacted]

3 TIME FOR PERFORMANCE

3.1 Time is of the essence of this Agreement.

4 SCOPE OF SERVICES

4.1 The Service Provider shall:

(a) provide and perform the Services as specified in Schedule "A";

(b) fulfill every obligation of the Service Provider set forth in or imposed by the Agreement; and

(c) manage the provision of the Services to create efficiencies wherever possible such that the Services, or portions thereof, are performed in accordance with or ahead of the Contract Time.

4.2 Notwithstanding anything contained herein, this Agreement in no way creates an exclusive arrangement between NSPI and the Service Provider for the supply of the Services. In particular, but without limiting the foregoing, NSPI reserves the right to purchase the same or similar services from other suppliers if NSPI determines in its sole discretion, acting reasonably, that the provisions of Services by the Service Provider are not in compliance with Section 8 (Performance Management), Schedule "D", Performance Standards (including Acceptable Terms Table) and complying with all of NSPI's policies (Schedule "B") (collectively, the "**Minimum Standards**"). Subject to the foregoing, the Parties expressly acknowledge that it is the intent of both Parties that NSPI shall give the Service Provider the first opportunity to fulfill NSPI's requirements for Services, in accordance with the Agreement, during the Term and as further set out in Schedule A, Section 6.

4.3 Except as provided for in Schedule "A" attached hereto, nothing in this Agreement shall be interpreted as a guarantee or absolute obligation of NSPI to purchase or the Service Provider to provide any minimum or specific quantity, volume or value of Services from the Service Provider during the Term.

4.4 All CUs applicable to the Services shall be as contained in the CU Library, which may be modified from time to time in accordance with Part V of the Governance Model outlined in Schedule "F".

4.5 In administering this Agreement and the Services, the Parties shall follow the Governance Model outlined in Schedule "F".

4.6 The Service Provider shall designate a representative ("**Service Provider Representative**") who shall have authority to act on behalf of the Service Provider and commit the Service Provider regarding matters under this Agreement, provided: (i) the Service Provider may change the Service Provider Representative at any time at its sole discretion by written notice to NSPI; and (ii) the Service Provider Representative shall not have any authority to amend, waive or modify any of the terms or conditions of this Agreement.

4.7 NSPI shall designate a representative ("**NSPI Representative**") who shall have authority to act on behalf of NSPI and commit NSPI regarding matters under this Agreement, provided: (i) NSPI may change NSPI Representative at any time at its sole discretion by written notice to Service Provider; and (ii) NSPI Representative shall not have any authority to amend, waive or modify any of the terms or conditions of this Agreement.

5 PRICE & PAYMENT

5.1 NSPI agrees to pay the Service Provider the amounts when due for the Services in accordance with the pricing provisions specified in Schedule "A" (the "**Contract Price**").

5.2 NSPI agrees to pay all undisputed amounts set forth on a correct invoice [redacted] Disputed invoices shall be identified to the Service Provider by NSPI within ten (10) Business Days from receiving the invoice.

5.3 The Service Provider and NSPI agree to finalize a process map for all administrative matters, including roles and responsibilities within 120 days of the Effective Date of this Agreement.

5.4 Payments shall be subject to harmonized sales tax (as defined in the *Excise Tax Act* (Canada)) ("**HST**"). No additional taxes (foreign or domestic), customs, duties or brokerage fees shall apply.

5.5 If applicable, NSPI will withhold from payments to the Service Provider any amounts required to be withheld under applicable laws and treaties in respect of services rendered in Canada by a non-resident and may remit them to the relevant authority. Where available, statutory withholding may be waived if the Service Provider delivers to NSPI a formal waiver of the withholding requirement issued by Canada Revenue Agency. The Parties shall cooperate at all times to ensure that all proper withholdings are deducted from payments and if any withholdings are overlooked then such withholdings may be deducted from later payments.

5.6 NSPI shall not withhold any amount of payments as holdback subject to the *Builder's Lien Act* (Nova Scotia) or any other lien legislation applicable to the performance of the Services and the Service Provider agrees to not file a Lien or Payment Claim (as defined in Section 14) to any Services in relation to this Agreement. The Service Provider further agrees to ensure its Subcontractors agree to not file a Lien or Payment Claim to any Services in relation to this Agreement.

6 SERVICE PROVIDER'S COVENANTS

6.1 The Service Provider warrants, covenants and agrees with NSPI that the Service Provider:

(a) has all requisite capacity and authority to execute, deliver and perform its obligations;

(b) will furnish all labour, materials, products, tools, and other necessary components necessary to perform and provide the Services, unless otherwise provided herein;

(c) has all the required authority, skills, expertise, resources and capacity to carry out the Services and to perform its obligations in accordance with the terms of this Agreement;

(d) prior to commencing any work hereunder, shall obtain, maintain and provide to NSPI all permits, licenses and notices as expressly stipulated by this Agreement;

(e) will comply with applicable federal, provincial, regional, municipal or local laws contained in the statutes, regulations, rules, standards, requirements, ordinances, policies, guidelines, orders, approvals, notices, permits or directives having the force of law pertaining to the Services performed by or on behalf of the Service Provider. The Service Provider shall be responsible for ensuring similar compliance by any permitted Subcontractors;

(f) is not a non-resident of Canada for the purposes of the *Income Tax Act*;

(g) will execute or cause to be made, done and executed all further acts, deeds, assurances, agreements, instruments or other documents as may be reasonably required to ensure fulfillment of the terms of this Agreement;

(h) shall deliver and perform the Services only by individuals duly licensed and authorized by law, if applicable, to perform the Services;

(i) shall carry out promptly all tasks and obligations during the Term listed in Table 1 of Schedule “A” as being the responsibility of the Service Provider;

(j) shall fulfill promptly all reporting requirements of the Service Provider during the Term as set out in Table 2 of Schedule “A”;

(k) shall comply with all safety obligations in accordance with the terms of this Agreement and NSPI’s safety programs, policies, and procedures referred to herein;

(l) shall deliver and perform the Services except where NSPI has provided prior written consent to subcontracting of all or any portion of the Services; and

(m) shall provide NSPI with the earliest possible notice of any expected disruption in the supply of Services.

7 CHANGES

7.1 Either Party may request a change to the Services by providing the other Party a written description of the proposed change in the Services. The following shall apply to changes requested by either Party:

(a) the Service Provider shall promptly present for approval, in a form acceptable to NSPI and with supporting documentation, the change with the following detail:

(i) Detailed description of the proposed change;

(ii) Cost of executing the proposed change;

(iii) Schedule implications of the proposed change; and

(iv) Scope implications of the proposed change.

(b) to the extent applicable to the proposed change, unless otherwise agreed by NSPI in writing, the rates and prices in Schedule “A” shall form the basis of any change in the Contract Price;

(c) NSPI shall review the proposed change, and if acceptable to NSPI, NSPI shall issue a Change Order;

(d) The value of work performed in a Change Order shall be included for payment, unless otherwise provided in the Change Order, with the regular payment due in accordance with Schedule A; and

(e) Unless NSPI has issued an order in writing in respect of the change prior to issuance of the Change Order, any work performed by the Service Provider in respect of a change in the Services prior to issuance of a Change Order by NSPI shall be at the risk and expense of the Service Provider.

8 PERFORMANCE MEASUREMENTS

8.1 The Service Provider's performance under the terms of this Agreement shall be measured in accordance with any performance criteria and/or other requirements described in Schedule "D". In the event the Service Provider fails to meet any performance requirements set forth in Schedule "D" and if the failure is not remedied to the satisfaction of NSPI within twenty (20) days after delivery of notice by NSPI to the Service Provider specifying the failure, NSPI may terminate this Agreement immediately on notice to the Service Provider, and the provisions of Section 26 - Termination for Cause shall apply.

9 SUBCONTRACTORS

9.1 Where NSPI provides written consent to the Service Provider to subcontract any of the Services, such consent shall not to be unreasonably withheld, the Service Provider shall preserve and protect the rights of the Parties under this Agreement with respect to the Services to be performed under subcontract, and shall:

(a) enter into contracts or written agreements with Subcontractors to require them to perform their part of the Services;

(b) except where the Subcontractor will not be required to enter any site or facility of NSPI in performing the Services or the total consideration payable under the subcontract is less than $100,000, incorporate the terms and conditions of this Agreement into all subcontracts or written agreements with such Subcontractors, insofar as they are applicable, including without limitation, all provisions in respect of safety and the environment. This subsection shall not apply to high risk engagements including but not limited to diving, working at heights, work in close proximity to high energy equipment or in environmentally sensitive areas as identified by NSPI prior to the Work being carried out by the Service Provider;

(c) ensure that all subcontracts in respect of the Services are terminable for convenience on terms at least as favourable as those in this Agreement;

(d) be as fully responsible to NSPI for the acts and omissions of Subcontractors, and of persons directly or indirectly employed by them, as if they were acts and omissions of persons directly employed by the Service Provider;

(e) have the right to terminate an existing Subcontractor. However, the Service Provider shall not engage a Subcontractor without the prior written approval of NSPI;

(f) ensure that its Subcontractors maintain or cause to be maintained general liability, automobile and pollution liability insurance in amounts as set out in Section 16.1 of this Agreement and the Service Provider shall provide NSPI with proof of such insurance upon request and shall cause its Subcontractors to provide proof of such insurance prior to commencing any Services, and at any time upon request by NSPI; and

(g) remove from the performance of the Services and replace any Subcontractor whom NSPI reasonably believes to be performing in an unsatisfactory manner or whose performance or activities jeopardize the efficiency or progress of the Services.

9.2 Nothing contained in this Agreement or any subcontract with a Subcontractor shall create a contractual relationship between a Subcontractor and NSPI. The Service Provider confirms, and NSPI agrees, that any approved Subcontractors used by the Service Provider are independent contractors and are not the employees of NSPI. The Service Provider shall indemnify and hold NSPI harmless from any losses, damages, claims, taxes or deductions made by a third-party contractor or any government or regulatory body premised on Subcontractor employees being employees of NSPI or having any employee rights in relation to NSPI.

10 WARRANTIES

10.1 The Service Provider warrants that:

(a) it shall perform the Services in a good and workmanlike manner, using personnel with the skills and training appropriate for the assigned tasks and using equipment that is appropriate for the purpose for which it is supplied and functioning properly, all in compliance with the standard of care, skill, competence and diligence normally exercised by an experienced and prudent contractor performing services in Atlantic Canada of a similar nature to those required by the Agreement;

(b) any design or engineering services performed as part of the Services shall be free from defects in design and shall be fit for the purposes specified in this Agreement; and

(c) the Services shall comply with the performance requirements, if any, specified in Schedule “D”.

10.2 The Service Provider covenants and agrees that it will promptly correct, at its expense, all deficiencies in the Services which appear prior to and during the period of one (1) year from the date of the undisputed invoice and, if requested by NSPI, reperform such Services. Such correction or reperformance shall be at the convenience of and without charge to NSPI, and on a schedule that meets the operating requirements of NSPI as determined by NSPI in its sole discretion.

10.3 Without limiting the Service Provider’s warranty obligations, the Service Provider shall obtain warranties available from any Subcontractors which are assignable to NSPI without consent. All such warranties shall, at the request and direction of NSPI, be unconditionally assigned to NSPI upon default by the Service Provider or termination or expiration of this Agreement.

10.4 If the Service Provider fails to comply with the warranty obligations in this Agreement, NSPI shall have the right to perform or have performed the correction and all costs incurred by NSPI in performing such work shall be paid to NSPI by the Service Provider. In the event that any warranty work must be carried out immediately due to urgent circumstances, and the Service Provider is not able to immediately respond and to carry out the urgently required work, then NSPI shall perform such warranty work at the expense of the Service Provider. In no event shall the performance of warranty work by NSPI under this section void or affect the Service Provider's warranty obligations herein, and such warranty obligations shall remain in full force and effect.

10.5 The Service Provider shall provide additional warranties as described in Schedule "A", if any.

10.6 Notwithstanding anything contained herein, the warranty obligations of the Service Provider shall not include distribution Storm Work and any materials provided by NSPI.

11 DELAY

11.1 The Service Provider shall promptly notify NSPI of any delays in the progress of the Services and shall use all reasonable efforts to rectify the event or circumstance giving rise to same.

11.2 Should NSPI have reason to believe that the Services will not be completed within the Contract Time, or if the Service Provider fails to complete any portion of the Services within the Contract Time, other than as a result of Force Majeure or acts or omissions of NSPI, then, without limiting any other remedy of NSPI hereunder, the Service Provider shall provide a recovery plan and perform at the sole cost of the Service Provider whatever acts are required or requested by NSPI (including working overtime, engaging additional personnel and providing additional equipment) to make up the lost time and to avoid any further delay in performance of the Services. If Service Provider fails to diligently perform such acts as are required or requested or otherwise does not perform its recovery plan to the reasonable satisfaction of NSPI, NSPI may take such steps as it deems necessary to make up the lost time and avoid further delay using its own forces or those of another party and the Service Provider shall indemnify NSPI for all costs related thereto.

11.3 Where Service Provider is responsible under this Agreement for any delay in delivering any portion of the Services, NSPI may direct Service Provider, at Service Provider's cost, to expedite delivery of the Services through use of the most expedient method of delivery as reasonably determined by NSPI.

12 FORCE MAJEURE

12.1 "**Force Majeure**" means any act of God, flood, fire, lightning, hurricane, earthquake, volcano, landslide, explosion, war, hostilities, terrorist acts, sabotage, blockade, closing of harbours, accidents to harbours, docks, or canals, civil disturbance, riot, epidemic, quarantine, acts of governmental entities and judicial action, labour disputes, strikes, lock-outs, or any other event or cause which is not within the reasonable control and is not due to the fault, breach of contract or negligence of the Party claiming Force Majeure, provided, however, the following shall not constitute Force Majeure:

(a) strikes, lockouts, slowdowns or other labour disruption directed at the Service Provider or any Subcontractor or the employees of the Service Provider or any Subcontractor;

(b) extreme or inclement weather which is not unusual over time in any area where the Services are to be performed;

(c) any labour or materials shortage, unless caused by a Force Majeure event;

(d) mechanical breakdown, unless caused by a Force Majeure event;

(e) the financial condition of the Service Provider or any Subcontractor;

(f) violation of applicable laws or regulations by the Service Provider or any Subcontractor; and

(g) any event or circumstance delaying or otherwise affecting the Service Provider's or any Subcontractor's performance of its obligations which is due to a lack of reasonable diligence of or could reasonably have been avoided or overcome by the Service Provider or any Subcontractor.

12.2 Neither Party shall be in breach of its obligations to the extent that any suspension or delay in performance of any obligation is due to a Force Majeure event.

12.3 If either Party's ability to perform its obligations is affected by a Force Majeure event, such Party, upon learning of such event and ascertaining that it will delay its performance, shall promptly give written notice to the other Party stating the nature of the event, its anticipated duration and effect upon the performance of such Party's obligations, and any action being taken to avoid or minimize its effect.

12.4 The affected Party shall exercise all reasonable efforts (i) to minimize the duration of, and costs arising from, any suspension or delay in performance, (ii) to continue to perform its obligations, and (iii) to resume full performance as soon as reasonably possible.

12.5 The time for performing an obligation delayed by a Force Majeure event shall be extended for such reasonable time as agreed between NSPI and the Service Provider, but the extension shall not be less that the time lost as a result of the Force Majeure event, unless the Service Provider agrees to a shorter duration.

12.6 The Term of this Agreement shall not be extended as a result of any Force Majeure event without the prior written consent of the Parties.

12.7 NSPI shall be entitled to purchase Services from any supplier during the period that the Service Provider's performance is delayed by a Force Majeure event, without notice to the Service Provider.

13 PERFORMANCE SECURITY

13.1 The Service Provider, prior to commencement of the Services, shall provide to NSPI the contract security stipulated in Schedule "A". If performance and labour and material payment bonds are required, such bonds shall in a form acceptable to NSPI, issued by a duly licensed surety company authorized to transact a business of suretyship in the province or territory in which the Services are performed or delivered and shall be maintained without alteration until the fulfillment of the Agreement. The Service Provider shall inform sureties of any material changes to the Agreement and obtain confirmation from the sureties that such changes do not decrease or otherwise prejudice the bond security. If any change to the Agreement requires adjustments to any such bonds, the Service Provider shall initiate and pay for such adjustments which adjustments shall not reduce the bonding required by the Agreement without NSPI's written approval of such reduction.

13.2 NSPI may, upon written notice to the Service Provider, withhold or deduct from amounts otherwise due to the Service Provider under this Agreement:

(a) the full value plus estimated or required security for costs of any Liens or Payment Claims filed against any property on which the Services are performed, plus any costs, including legal fees on a solicitor-client basis, incurred by NSPI to have such Liens or Payment Claims removed;

(b) any other monetary claims against the Service Provider which are enforceable against NSPI, including garnishment orders;

(c) security for any actual or potential liability to third parties for costs, damages or expenses resulting from the Service Provider's performance of the Services;

(d) any amount necessary to reasonably protect NSPI from actual or anticipated loss, damage, claim, cost or expense arising from:

(i) deficient Services which are not remedied within any time period allowed under this Agreement;

(ii) the failure of the Service Provider to pay promptly any amounts justly due and owing by the Service Provider to its Subcontractors or any other third party in connection with the performance of the Services; or

(iii) any other breach or default of the Service Provider's obligations.

14 LIENS

14.1 In this Agreement, "**Liens or Payment Claims**" means any and all claims for payment, liens, attachment, garnishment or any other process or similar encumbrances filed by or in respect of the Service Provider, its Subcontractors or any other person providing work, materials or services through or under the Service Provider in respect of this Agreement.

14.2 **Lien Indemnity**. The Service Provider shall indemnify and hold harmless NSPI, Emera Inc., and their subsidiaries and affiliates, and their respective directors, officers, partners, employees and agents (collectively the "**Lien Indemnitees**" or singularly "**Lien Indemnitee**") and defend each of them from and against any and all losses and costs, including legal fees on a solicitor-client basis and expenses, incurred by NSPI or other Lien Indemnitees in discharging or otherwise arising out of any Liens or Payment Claims.

14.3 **Discharge**. The Service Provider shall discharge promptly any Liens or Payment Claims. If the Service Provider does not promptly discharge such Liens or Payment Claims, NSPI at its sole option may (i) require the Service Provider to pay, within five (5) days after request by NSPI, or (ii) offset against any holdback or other amounts due or to become due to the Service Provider, all costs and expenses incurred by NSPI or other Lien Indemnitee in causing the release of, paying or settling such Liens or Payment Claims.

14.4 **Right to Contest**. The Service Provider shall have the right to contest any Liens or Payment Claims, provided it first provides to NSPI a bond or other assurance of payment reasonably satisfactory to NSPI in the amount of such Liens or Payment Claims and in form and substance reasonably satisfactory to NSPI. In no circumstance whatsoever shall

NSPI be liable for a greater amount than the amount payable by NSPI to the Service Provider under this Agreement.

15 INDEMNITY

15.1 **Claim.** In this Agreement, "Claim" means any and all liabilities, loss, damages, injuries, judgments, settlements, awards, expenses, legal fees on a solicitor-client basis, claims, demands, actions, suits, remedies, debts, proceedings and causes of action whatsoever, without limitation, whether based upon breach of contract, breach of warranty, failure to meet performance guarantees, tort (including negligence), strict liability, equity or any other legal theory.

15.2 **Risk**. The Service Provider shall be responsible for all risk of loss, damage or injury, including death, to person or property arising out of or in connection with this Agreement caused by its directors, officers, employees, agents or representatives, Subcontractors or their sub-suppliers of any tier and agrees not to make or bring any Claim against NSPI or its directors, officers, employees and agents to the extent of such loss, damage or injury except in respect of loss, damage or injury caused by the negligence or wilful misconduct of NSPI or NSPI's directors, officers, servants, agents or employees.

15.3 **Indemnity**. The Service Provider shall defend, indemnify and hold harmless NSPI and any parent, subsidiary or affiliated corporation of NSPI and their respective directors, officers, employees and agents, from and against any and all Claims, whether in respect to Claims suffered by NSPI or to Claims by third parties, that directly or indirectly arise out of or are attributable to the performance of or the failure to perform the Services by the Service Provider, its subcontractors, employees, agents or any other person or entity for whom the Service Provider is responsible under this Agreement or otherwise at law, provided that the Service Provider shall only be liable to indemnify hereunder to the extent that such Claims are attributable to a breach of this Agreement by the Service Provider, its subcontractors, employees, agents or any other person or entity for whom the Service Provider is responsible under this Agreement or otherwise at law or by any negligence, fraud or willful misconduct of such party and in each case save to the extent such Claims are caused or contributed to by a breach of this Agreement by NSPI or any negligence, fraud or wilful misconduct of NSPI or NSPI's directors, officers, employees or agents or any other person or entity for whom NSPI is responsible under this Agreement or otherwise at law.

15.4 **Intellectual Property Indemnity**. The Service Provider shall defend, indemnify and hold harmless NSPI and any parent, subsidiary or affiliated corporation of NSPI and their respective directors, officers, employees or agents from any Claim by a third party that possession or use by NSPI of any intellectual property delivered as a part of the Services under this Agreement infringes any patent, copyright, trade secret or other intellectual property right. The Service Provider shall pay all damages, costs and expenses resulting from such a Claim, but shall not be responsible for any cost, expense incurred or compromise effected by NSPI without the Service Provider's prior consent. NSPI shall promptly notify the Service Provider of any such Claim.

16 INSURANCE

16.1 The Service Provider shall obtain, maintain and pay for, during the continuance of this Agreement or if applicable, the entire Term of this Agreement, or as otherwise provided, all insurance coverage as follows, with insurance carriers that have a minimum of either AM Best ratings of A- or Standard and Poor's rating of BBB:

(a) $5,000,000 Auto liability insurance covering all licensed motor vehicles owned, rented or leased and used in connection with the work to be performed under the Agreement covering bodily Injury and property damage liability and mandatory accident benefits;

(b) $5,000,000 each occurrence and in the annual aggregate commercial general liability including death, bodily injury, personal injury, and property damage, including loss of use thereof. Coverage shall specifically include at a minimum, but not limited to the following:

(i) Products & Completed Operations and Personal Injury;

(ii) Broad Form Property Damage;

(iii) Contingent Employer's Liability;

(iv) Cross Liability and Severability of Interest;

(v) Blanket Contractual Liability;

(vi) Sudden & Accidental Pollution; and

(vii) Non Owned Automobile Liability.

(c) $5,000,000 per incident and in the annual aggregate contractor's pollution liability Insurance covering new pollution incidents and exacerbation of historical pollution conditions arising from the contractor's operations including 24 months extended reporting period (if claims-made) or 24 months completed operations (if occurrence based) including contingent transportation, non-owned disposal sites coverage and emergency expense;

(d) "All Risk" Builder's risk or Construction All Risk policy (for newly build construction only when applicable) up to a maximum value of $5,000,000. per occurrence and annual aggregate, including testing and commissioning to a limit of the value of the full replacement cost of the project, any one occurrence, covering physical loss or damage to the work and expediting expenses; and

(e) $5,000,000 per claim and in the annual aggregate professional liability insurance covering liability arising out of any negligent act, error or omission in the performance of the Services. Insurance shall be maintained from the date of awarding the contract until not less than 24 months after completion of the Services.

16.2 If the Service Provider fails to effect or keep in force any of the foregoing insurances, NSPI may, without prejudice to any other right or remedy, effect such insurance and pay the premiums due and recover the same as either as a deduction from any other monies due to the Service Provider under this Agreement or otherwise on demand by NSPI.

16.3 The Service Provider agrees that NSPI shall be shown as an additional insured on all applicable insurance policies required by this Agreement with the exception of any professional liability and automobile policies, and such insurance shall not be cancelled or altered without thirty (30) days prior written notice to NSPI.

16.4 Proof of insurance shall be completed by respective insurance broker(s) or insurer(s) and the Service Provider agrees to provide proof of insurance to NSPI prior to the provision of any Services, in the form attached hereto at Schedule "E".

17 CONSEQUENTIAL LOSSES AND DAMAGES

17.1 Neither Party shall be liable to the other Party, whether by way of indemnity or by reason of breach of contract or in tort, including liability for negligence and breach of statutory duty, or on any other legal or equitable basis, for any consequential, indirect, incidental, exemplary or punitive damages of the other Party arising out of or attributable to the performance or non-performance under this Agreement or any actions undertaken in connection with or related to this Agreement. Without limiting the foregoing and for the avoidance of doubt, neither Party shall be liable to the other Party for loss of profit, revenue, financing, opportunity, or use whether such claim is categorized as indirect, direct or consequential damages or under any alternative theory of recovery. Unless otherwise provided herein, where the Goods & Services are provided in respect of a generating station, in no event shall the Service Provider be liable for costs of replacement power or increased costs of power generation.

18 LIMIT OF LIABILITY

18.1 The Service Provider's liability for all Claims for which the Service Provider has agreed to indemnify NSPI, pursuant to Section 15, in any 12 month period is limited to a maximum value of $5,000,000.Notwithstanding the foregoing, this limitation of the Service Provider's liability does not apply to:

(a) the Service Provider's liability for infringement of intellectual property rights or royalties related to the Services;

(b) the Service Provider's liability to indemnify for environmental matters pursuant to Section 19.7;

(c) death or personal injury caused by the Service Provider's negligence;

(d) fraud committed by the Service Provider (including fraudulent misrepresentation); or

(e) any liability of NSPI to a third party caused by the acts or omissions of the Service Provider or those for whose acts or omissions the Service Provider is at law responsible and for which the Service Provider is required to indemnify NSPI pursuant to the terms of this Agreement.

19 SAFETY AND ENVIRONMENT

19.1 At the request of NSPI, the Service Provider agrees to provide all information related to the safety performance of the Service Provider and its Subcontractors, as applicable. In addition, the Service Provider shall maintain at its sole expense a subscription with the

Contractor Information Management System during the Term of this Agreement and any renewal or extension thereof. The Service Provider shall maintain its rating of "A" from the Contractor Information Management System during the Term of this Agreement and any extension or renewal thereof.

19.2 In performing its obligations under this Agreement, the Service Provider will comply with all safety and environmental programs and practices of NSPI from time to time, including, if applicable, those programs described in Schedule "B". All costs incurred by the Service Provider in relation to the compliance with NSPI's safety and environmental programs will be the responsibility of the Service Provider. The Service Provider agrees that it shall be deemed a "Tier 1 Contractor" for the purposes of compliance with NSPI's safety and environmental programs.

19.3 During the performance of the Services, if, in NSPI's sole determination, the Service Provider's compliance with the applicable safety/environmental programs and practices is not satisfactory, NSPI shall have the right to require the Service Provider to take such additional steps at the Service Provider's expense as are necessary to ensure compliance. Coordination with Purchaser to ensure access to transmission line corridors and all necessary travel easements for entry. The contractor will have sufficient GIS capacity to download, view and work with NSPI environmental constraints from ArcGIS Online.

19.4 If, in NSPI's sole determination, acting reasonably, the safety/environmental performance of Service Provider is deemed unacceptable to NSPI, NSPI shall have the right to terminate this Agreement if the Service Provider does not begin to cure the unacceptable safety/environmental performance immediately on its receipt of written notice of such breach from NSPI or if it is not fully cured to the satisfaction of NSPI, acting reasonably, within ten (10) days after Service Provider receives written notice of such breach from NSPI. NSPI shall have no liability to the Service Provider as a result of termination pursuant to this Section.

19.5 The Service Provider agrees to be responsible for ensuring all employees, Subcontractors, agents and representatives of the Service Provider comply with all federal, provincial and municipal health, safety and environmental statutes, regulations, policies, guidelines and all health, safety and environmental rules as prescribed by NSPI.

19.6 The Service Provider shall promptly report to NSPI any discovery or presence of a release of a hazardous substance (including, but not limited to, any contaminants, pollutants, petroleum or other hydrocarbons and their derivatives and by-products, dangerous substances or goods, including asbestos, liquid wastes, special wastes, toxic substances, hazardous or toxic chemicals and hazardous wastes), or the exposure of persons, property or the environment to such hazardous substances in any form at any NSPI controlled location where the Service Provider is performing the Services.

19.7 The Service provider shall defend, indemnify and hold harmless NSPI and any parent, subsidiary or affiliated corporation of NSPI and their respective directors, officers, employees and agents from and against any and all liabilities, claims, actions, causes of action, judgments, orders, damages (including foreseeable and unforeseeable consequential damages), costs (including those incurred in connection with any investigation of site conditions or any clean-up, environmental remediation, removal or restoration work), expenses (including all reasonable consultant, expert and legal fees and expenses), fines, penalties, losses, or any resulting damages, harm or injuries to the person or property of any third parties or to any natural resources, due to the release of a hazardous substance or resulting from the breach of any environmental law by the Service Provider or Subcontractor or those for whom the Service Provider or Subcontractor are responsible at law.

20 INTELLECTUAL PROPERTY

20.1 The Service Provider acknowledges and agrees that all inventions, discoveries, configurations, processes or improvements made in the course of provision of the Services and all works, work product, and deliverables including drawings, as well as their adaptation or modification ("Intellectual Property"), whether they be protected or not under any applicable law, entirely and exclusively belong to NSPI when made, conceived, created, realized or implemented by the Service Provider during the term of this Agreement. The Service Provider agrees that no copyright or any other Intellectual Property right will be acquired, asserted, or retained by the Service Provider in connection with the Services. The Service Provider hereby irrevocably assigns and transfers to NSPI all right, title and interest to said Intellectual Property, and NSPI shall have the exclusive right to obtain and hold any Intellectual Property registrations or protection, whether copyright, patent, trademark or otherwise. Upon NSPI's request, the Service Provide agrees to execute any document that NSPI considers useful or necessary perfect to such rights or shall cause its employees to execute any such document, including any necessary releases of moral rights by the Service Provider.

20.2 Without limiting the generality of section 20.1,

(a) NSPI may publish, reproduce, distribute and use all or any part of any such works, work product and deliverables provided as part of the Services, in any manner and for any purpose, and may authorize others to do the same. The Service Provider agrees that no copyright or any other Intellectual Property right will be acquired, asserted, or retained by the Service Provider in connection with the Services. Prior to disclosure to the public by NSPI the Service Provider agrees not to publish or make available to others, except representatives of NSPI, any such works, work product and deliverables without obtaining NSPI's prior written consent.

(b) Any trademarks, brands, logos or other branding, packaging, trade dress, domain names, trade names or business names used in NSPI's business ("**NSPI Brands**") shall remain the exclusive property of NSPI and shall not be used by the Service Provider for any purpose except as authorized by NSPI in connection and as necessary for the provision of the Services. Upon termination of this Agreement, the Service Provider shall immediately upon instruction from NSPI return or destroy, as directed by NSPI, all items or materials bearing the NSPI Brands.

21 STANDARDS OF BUSINESS CONDUCT

21.1 The Service Provider shall perform its obligations under this Agreement in a manner which is in accordance with the highest of ethical standards and in compliance with the provisions of this Section 21. These obligations shall apply to the activities of the Service Provider, its employees, Subcontractors, agents and representatives and its affiliates and subsidiaries to the extent the activities of such affiliates or subsidiaries relate in any way to the performance of Service Provider's obligations under this Agreement.

21.2 The Service Provider shall establish and maintain appropriate business standards, procedures and controls necessary to avoid any real or apparent impropriety or adverse impacts on the interests of NSPI, its parent or affiliates. NSPI may review such standards and procedures at any time during the term of this Agreement, and may terminate this Agreement for cause if NSPI is not satisfied, acting reasonably, that such standards and procedures ensure compliance with the ethical standards required by this Section 21.

21.3 The Service Provider:

(a) shall comply with all applicable anti-bribery, anti-corruption or integrity laws and regulations of Canada and any other country in which the Service Provider does business in any way related to the performance of its obligations under this Agreement. Such laws include, without limitation, the Canadian *Corruption of Foreign Public Officials Act*, the *Criminal Code of Canada*, and the United States *Foreign Corrupt Practices Act of 1977*, all as amended from time to time;

(b) shall not authorize, offer, promise, pay or give money or anything else of value, either directly or indirectly, to or for the benefit of any person (including any political party or candidate for political office) that is, or may reasonably appear to be, for the purpose of inducing, influencing, securing or rewarding the improper or corrupt performance by any public official of any function or activity, including, without limitation, bribes, kickbacks, donations, rewards, advantages, payoffs, loans, commissions, prizes, gifts, favourable terms on services, entertainment or any other benefits or consideration of any kind, or directly or indirectly consent to, or connive in, aid or abet, counsel or procure such prohibited payments and benefits;

(c) shall not solicit, request, agree to receive or accept money or anything else of value, either directly or indirectly, that is (or may reasonably appear to be) for the purpose of inducing, securing or rewarding the improper performance by the Service Provider of any function or activity which contravenes or aids and abets the contravention of any applicable anti-bribery, anti-corruption or integrity laws and regulations;

(d) shall take reasonable measures to prevent its employees, Subcontractors, agents and representatives from engaging in the activities described in subsections 21.3(b) and (c); and

(e) shall not retain or enter into a Subcontract with a person, corporation or other entity (an “Agent”) in connection with this Agreement or to act on its or NSPI’s behalf in a particular country, if the Service Provider is not satisfied based on personal knowledge, available credible information and reasonable diligent inquiry that the prospective Agent may be reasonably relied upon to act in compliance with all applicable anti-bribery, anti-corruption or integrity laws and regulations.

21.4 The Service Provider shall immediately report to NSPI any attempt or perceived attempt by any employee, agent or representative of NSPI, to obtain a personal benefit of any kind from the Service Provider.

21.5 To the extent that it relates to the performance of its obligations under this Agreement, the Service Provider shall promptly provide information or evidence, where reasonably required by NSPI, to properly address matters which NSPI, in its sole discretion, deems contrary to appropriate business standards or anti-bribery, anti-corruption or integrity laws and regulations of any country.

21.6 NSPI covenants and agrees to respond to requests for clarification from the Service Provider in a reasonable time period and work with the Service Provider to minimize downtime on the part of the Service Provider in the provision of the Services.

22 AUDIT AND INSPECTION

22.1 While this Agreement is in effect and for a period of thirty-six (36) months after the later of (i) termination or expiry of the Term of this Agreement and (ii) the completion of the Services:

(a) the Service Provider shall keep accurate records of all Services supplied to NSPI, as necessary to determine that the Services were provided in accordance with the terms and conditions of this Agreement; and

(b) NSPI shall have the right, at any time and upon reasonable notice, to inspect and audit all Services and all information available to the Service Provider related to the Services for purposes of validating compliance by the Service Provider with the terms and conditions of this Agreement.

22.2 The Service Provider agrees to provide to NSPI reasonable access to the Service Provider’s property for the purposes of allowing NSPI to inspect and audit in accordance with this Agreement.

23 CONFIDENTIALITY

23.1 The Parties shall comply with the confidentiality requirements set forth in the Confidentiality and Non-Disclosure Schedule attached as Schedule “C”.

23.2 The Parties agree that the requirements set forth in Schedule “C” shall remain in effect during the term of this Agreement and for a period of three (3) years following expiration or earlier termination of this Agreement.

24 SUSPENSION

24.1 NSPI may suspend performance of the Services for up to sixty (60) days by giving five (5) Business Days notice in writing to the Service Provider identifying the reason for the suspension and the expected length of the suspension. Such suspension shall be effective upon the expiry of the five (5) Business Day notice period. NSPI shall pay the Service Provider associated with such suspension of performance including but not limited to demobilization charges and unavoidable and reasonable cancellation costs charged to the Service Provider by its Subcontractors.

24.2 The Service Provider upon receiving notice of suspension from NSPI shall suspend all Services as soon as reasonably possible except those which, in NSPI's sole discretion, are deemed necessary for the safety of personnel and for the care and preservation of Services completed in whole or in part to the date of suspension. Subject to any directions in the notice of suspension, the Service Provider shall discontinue ordering materials, facilities, and supplies and make every reasonable effort to delay delivery of existing orders.

24.3 Upon the expiration of the period of suspension, the Service Provider shall resume the performance of the Services in accordance with this Agreement unless this Agreement is terminated in accordance with the provisions herein.

25 [INTENTIONALLY DELETED]

26 TERMINATION

26.1 Notwithstanding any provision in this Agreement, a Party may at any time terminate this Agreement effective immediately upon written notice to the other Party upon the happening of any one or more of the following:

(a) a breach of any material term or condition of this Agreement by the other Party which is not cured within thirty (30) days after such Party receives written notice of such breach;

(b) any representation or warranty made by the other Party shall prove to be untrue when made in any material respect;

(c) the sale, transfer or relinquishment, voluntary or involuntary, by operation of law or otherwise, of legal control of the business of other Party except for a transfer to a related corporation or a transfer resulting from a merger, acquisition, amalgamation or reorganization;

(d) the sale, transfer or assignment of all or substantially all of the assets of the other Party; or

(e) any proceedings under any bankruptcy, insolvency, or creditor's protection legislation are commenced, a temporary or permanent receiver, trustee or other officer having similar powers is appointed in respect of the other Party, its business or assets, the other Party makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency, or if a bankruptcy or receiving order is made against the other Party.

26.2 If NSPI terminates this Agreement pursuant to this Section 26, NSPI shall be entitled to:

(a) subject to the rights of third parties, utilize the Service Provider's equipment at the site of the Services, if applicable, and provided NSPI pays the Service Provider the applicable rates charged by the Service Provider for the use of such equipment and finish the Services by whatever reasonable method NSPI may consider expedient;

(b) withhold further payment to the Service Provider and deduct from amounts otherwise payable to the Service Provider any amounts owing to NSPI under the provisions of this Agreement or any other agreement between NSPI and the Service Provider;

(c) charge the Service Provider, and the Service Provider shall be liable for, the amount by which the full cost of finishing the Services, including costs of any additional consultant services and any allowance to cover the cost of corrections to Services performed by the Service Provider that may be required, exceeds the unpaid balance of the Contract Price; and

(d) if, subsequent to exercise by NSPI of its rights pursuant to this Section, there remains any amount owing by the Service Provider to NSPI, including any amounts otherwise payable by the Service Provider pursuant to this Agreement, NSPI shall notify the Service Provider in writing of such amount and the Service Provider shall pay such amount to NSPI within ten (10) Business Days of notification.

26.3 The right of either Party to terminate this Agreement shall be in addition to any other rights and remedies available pursuant to this Agreement, at law or in equity. All rights and remedies of a Party upon default or breach by the other Party under this Agreement shall be cumulative and not alternative.

26.4 Upon receiving any notice of termination by NSPI, or, if applicable, upon expiration of the Term, the Service Provider will provide to NSPI the termination assistance reasonably requested to allow the Services provided under this Agreement to continue, and to facilitate the orderly transfer of responsibility for performance of the Services to NSPI or a third party as directed by NSPI, in the sole discretion of NSPI; provided that NSPI pays the Service Provider for the resources used by the Service Provider to provide those services on a time and materials basis, at the Service Provider's then-standard commercial billing rates.

26.5 Termination Period and Termination Assistance

(a) NSPI and the Service Provider agree to negotiate applicable demobilization costs to be paid by NSPI to the Service Provider in event of the termination of this Agreement.

(b) Upon receiving any notice of termination by either Party, or upon expiration of the Term, the Service Provider will provide to NSPI the termination assistance reasonably requested to allow the Services provided under this Agreement to continue to protect and preserve the Work as NSPI may reasonably direct or as otherwise may be required at law, and to facilitate the orderly transfer of responsibility for performance of the Services to NSPI or a third party as directed by NSPI, for a period of up to six (6) months after the termination or expiration of the Term ("**Transition Period**"), in the reasonable discretion of NSPI; provided: (a) the Service Provider has the labour and resources available to perform those services; and (b) NSPI pays the Service Provider for the resources used by the Service Provider to provide those services on a time and materials basis at the Service Provider's then-standard commercial billing rates (and equipment rates) as set by the Service Provider, in its discretion after termination. For certainty, such rates may be set by the Service Provider based on the Service Provider's then existing labour rates (comprised of salary/wages and benefits). The termination assistance to be provided may include the following, in the sole discretion of NSPI:

(i) Except for Work directed to be performed for NSPI, at NSPI's expense, in the Transition Period, use commercially reasonable efforts to terminate all existing subcontracts and purchase orders and enter into no further subcontracts or purchase orders in relation to the Services without the prior written consent of NSPI;

(ii) Developing, together with NSPI, at NSPI's expense, a plan for the orderly transition of the performance of the relevant Services from the Service Provider to NSPI or to a third party designated by NSPI;

(iii) Providing reasonable training, at NSPI's expense, for personnel of NSPI in the performance of the Services then being transitioned to NSPI, or the third party designated by NSPI to the extent Services are being assumed by that third party; and

(iv) Using commercially reasonable efforts to assist NSPI, at NSPI's expense, in obtaining and thereafter making available to NSPI or its designee, on reasonable terms and conditions, any third-party services then being utilized by the Service Provider in performing the Services. The Service Provider will be entitled to retain the right to use any of those third-party services in connection with the performance of services for any other customer.

26.6 In addition to any other rights and remedies available to the Service Provider pursuant to this Agreement, at law or in equity, in the event that NSPI is in default of their payment obligations in an aggregate amount of $250,000 or greater pursuant to Article 5 hereof for a period of twenty (20) days or longer and if the Service Provider has provided weekly invoice status reporting, the Service Provider shall then give NSPI a twenty (20) day notice period to cure such default (the "**Payment Default Cure Period**"). If such default is not cured within the Payment Default Cure Period, the Service Provider may suspend provision of the Services until such default is cured by NSPI provided that the Service Provider shall not suspend the Services until it has completed those specific ongoing projects that, if not completed, would pose a safety and or environmental risk and shall use best efforts to avoid any unreasonable costs.

27 DISPUTE RESOLUTION

27.1 "**Dispute**" herein means any difference, controversy, or dispute between the Parties as to any matter arising out of or related to this Agreement, including without limitation, the validity, interpretation, application, administration, enforcement or termination of the Agreement, the rights or liabilities of the Parties hereunder, any failure to agree where agreement between the Parties is called for, or any claim whatsoever arising out of any alleged failure to perform or breach of obligations under this Agreement.

27.2 In the event of a Dispute, the Parties shall utilize the dispute resolution flow chart in Schedule "F". The Parties shall have thirty (30) days to resolve the Dispute (or five (5) days if either Party notifies the other Party that the matter requires urgent resolution).

27.3 In the event resolution cannot be achieved within the time stipulated by Section 28.2 or such further time as mutually agreed by the Parties, then such Dispute shall be referred to mandatory and binding arbitration in accordance with the *Commercial Arbitration Act* (Nova Scotia). The arbitration shall be conducted by a single arbitrator agreed upon by the Parties. If the single arbitrator cannot be agreed upon, either Party may apply under the *Commercial Arbitration Act* (Nova Scotia) for judicial appointment of the single arbitrator. In respect of any arbitration to be conducted pursuant to this Section, the following rules shall apply:

(a) The arbitration shall be conducted in English;

(b) The arbitration shall be conducted in the Halifax Regional Municipality;

(c) No such arbitrator shall have previously been employed by either Party and shall not have a direct or indirect interest in either Party or the subject matter of the arbitration;

(d) The cost of the arbitration, excluding a Party's legal fees and disbursements shall, unless otherwise unless otherwise ordered by the arbitrator, be borne equally by the Parties; and

(e) The award of the arbitrator shall be final and binding upon the Parties with no right of appeal, whether as to fact, law, or mixed fact and law, and shall be enforceable by them in any court of competent jurisdiction.

27.4 Unless otherwise directed by NSPI, there shall be no stoppage or decrease in the provision of the Services during the dispute resolution process.

27.5 The Service Provider shall include dispute resolution provisions in its subcontracts in the same terms as provided above, and, in addition, the following provisions:

(a) in respect of any dispute under a Subcontract which is related to a dispute which is the subject of an arbitration between the Service Provider and NSPI, if NSPI so requires in its sole discretion, the Subcontractor shall agree to the consolidation of the arbitration of its dispute with the Service Provider with the arbitration between NSPI and the Service Provider and shall be fully bound as a party to such arbitration and accordingly by the applicable rules and any arbitral order or award therein; and

(b) whether or not a dispute exists between a Subcontractor and the Services Provider, if either NSPI or the Service Provider so requires in their sole discretion, subject to the jurisdiction of the arbitrator and the applicable arbitral rules, the Subcontractor shall cooperate in the provision of information, documentary or otherwise, statements and/or witness testimony in any arbitration between the Service Provider and NSPI. In such case, the Subcontractor shall be reimbursed by the party requiring such participation for its reasonable and verifiable expenses incurred and the Subcontractor agrees that it shall maintain the confidentiality of such proceedings.

28 NOTIFICATIONS

28.1 All notices to be given to either Party under this Agreement shall be written and addressed to NSPI and to the Service Provider as follows:

<u>To NSPI</u>:

Nova Scotia Power Incorporated
1223 Lower Water Street
PO Box 910
Halifax, NS B3J 3S8
Attention: Corporate Secretary
Facsimile: (902) 428-6171

To the Service Provider:

PowerTel Utilities Contractors Limited
150 Regional Road, Suite 10
RR #1
Whitefish, ON P0M 2E0
Attention: John MacKinnon, VP of Business Development
Facsimile: ______________________
Email: jmackinnon@powertel.ca

28.2 All notices may be sent by email, facsimile, a nationally recognized overnight courier service, first class mail or hand delivered. Notice shall be given when received by the addressee on a Business Day. In the absence of proof of the actual receipt date, the following presumptions will apply:

(a) Notices sent by facsimile shall be presumed to have been received upon the sending Party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. (local time for the recipient) on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day.

(b) Notices sent by email shall be presumed to have been received on the date of sending. If the day on which such email is received is not a Business Day or is after five p.m. (local time for the recipient) on a Business Day, then such email shall be deemed to have been received on the next following Business Day

(c) Notice by overnight courier shall be presumed to have been received on the next Business Day after it was sent.

(d) Notice by first class mail shall be presumed delivered five (5) Business Days after mailing.

28.3 Either Party may modify its address for notices by advance written notice to the other Party.

29 GENERAL

29.1 This Term of this Agreement shall only be renewed or extended with the written consent of both Parties.

29.2 This Agreement shall extend to, be binding upon and enure to the benefit of the respective successors and permitted assigns of the Parties hereto.

29.3 Neither Party shall be entitled to assign all or any portion of this Agreement without the prior written consent of the other Party, which consent may be unreasonably withheld.

29.4 This Agreement shall be deemed to have been made in and shall be governed by, construed and interpreted in accordance with the laws of the Province of Nova Scotia and the federal laws of Canada, as applicable therein. Subject to mandatory final and binding arbitration as provided by Section 27, the parties attorn to the exclusive jurisdiction of the courts of the Province of Nova Scotia.

29.5 No consent or waiver, express or implied, by any Party to this Agreement of any breach or default by any other Party in the performance of its obligations or of any of the terms, covenants or conditions of this Agreement shall be deemed or construed to be a consent or waiver of any subsequent or continuing breach or default in such Party's performance.

29.6 Without restricting any existing right of set-off in law or equity, NSPI may set-off against any amount payable to the Service Provider under the Agreement, any amount payable to NSPI by the Service Provider under the Agreement or under any other current contract. NSPI may, when making a payment pursuant to the Agreement, deduct from the amount payable to the Service Provider any such amount payable to NSPI by the Service Provider which, by virtue of the right of set-off, may be retained by NSPI.

29.7 This Agreement is the entire agreement between the Parties with respect to the subject matter hereto and shall not be modified, varied or amended except as agreed in writing signed by the Parties. Without limiting the foregoing, no terms and conditions of NSPI or the Service Provider communicated verbally or in writing between the Parties at any time in respect of NSPI's purchase of the Services, whether in the form of standard purchase order terms of either Party or otherwise, shall apply to and form part of this Agreement unless the Parties have otherwise specifically agreed in a document signed by the Parties or provided expressly herein.

29.8 The Parties agree that Service Provider is an independent contractor and that this Agreement shall in no manner be construed as creating any form of employer-employee or agency relationship.

29.9 If any part of this Agreement is held to be invalid, illegal or unenforceable, then such part shall be deemed to be deleted from this Agreement and the remainder of this Agreement that is not invalid, illegal or unenforceable shall continue in full force and effect.

29.10 This Agreement and all related documents shall be in English.

29.11 This Agreement, and the terms and conditions stated herein, shall not be altered, modified or otherwise changed except by agreement in writing signed by all parties.

29.12 This Agreement may be executed by the Parties in counterparts, each of which when so executed and delivered shall be deemed to be an original and when taken together shall be deemed to be one and the same instrument. Transmission of a copy of the executed signature page of this Agreement by one Party to the other Party by facsimile transmission or e-mail in PDF format, shall be as effective as delivery to such other Party of an original manually executed counterpart hereof.

30 SURVIVAL

30.1 All provisions of this Agreement which by their express terms or nature are continuing shall survive the expiration or termination of this Agreement, including, without limitation, this provision, and the provisions relating to Sections 6 - Service Provider's Covenants, 10 - Warranties, 15 - Indemnity, 20 - Intellectual property, 23 - Confidentiality and 28 - Notification as well as any provisions which are required to determine, or which exclude or limit, any liability or which are otherwise required to give effect to or interpret any such provisions which are continuing.

IN WITNESS THEREOF, the Parties have duly executed this Agreement on the date set forth below.

NOVA SCOTIA POWER INCORPORATED

Per: ______________________________
Name:
Title:
Date:

____
Witness

Per: ______________________________
Name:
Title:
Date:

____
Witness

POWERTEL UTILITIES CONTRACTORS LIMITED

Per: ______________________________
Name: John MacKinnon
Title: Vice President
Date: September 30, 2019

____
Witness

Per: ______________________________
Name:
Title:
Date:

____
Witness

SCHEDULE A

SERVICES

1 SERVICES:

The Services shall consist of the supply of both transmission and distribution maintenance and construction services within the Region.

A. Delegation of Responsibilities.

Table 1 below outlines which tasks and obligations are within the scope of the Services to be provided by the Service Provider and which tasks and obligations are to be carried out during the Term by NSPI, at NSPI's expense, in order to permit the Service Provider to carry out the Services in accordance with this Agreement.

TABLE 1 – RESPONSIBILITIES OF THE PARTIES

Responsibility	Service Provider	NSPI
Job scoping		
Conduct and produce right of way plans for site access	Yes	No
Identification and notification of water crossing	Yes	No
Identification and planning of resource requirements	Yes	No
Identification of access routes	Yes	No
Identification of structure types	No	Yes
Identification of brooks and swamps	Yes	No
Identification of access around structures, and swamp mat requirements	Yes	No
Identification of required tree trimming for ROW access and travel	Yes	No
Job supervision	Yes	No
Storage of Service Provider materials.	Yes* (*except for wood products (e.g. poles,)).	For transmission and larger distribution projects wood products (e.g. poles) will be delivered by NSPI to Work Site roadsides. Wood products for smaller jobs will be made available at the nearest depot of NSPI to the Work Site NSPI will allow the Service Provider to stage NSPI Project materials at depots across the province.
Pickup and transportation of job materials from the nearest NSPI depot or agreed alternate site, to the job site.	Yes	No
Returning and recording unused materials from the job site back to the nearest NSPI depot or agreed alternate site using the process set out below in Table 1A.	Yes	No

Planning and scheduling of resources and equipment, including the submission of a daily resource plan to NSPI	Yes	No
Obtaining and Maintaining Operational permits, including the following: • Department of Transportation Highway closure permits • Municipality street access / closure permits associated with traffic control (provisioned through municipalities) • Department of Labour Code of Practice permits • DND Permit	Yes	No
Obtaining and Maintaining all regulatory permits and associated notifications relating to authorization to construct or maintain power lines, including the following: • Railway crossing permits • Navigable Water permits • Nova Scotia Department of Environment permits and licenses • Nova Scotia Department of Natural Resource permits, licenses and letters of authorization for access • Letter of authorization to operate Off-Highway Vehicles in the Halifax Regional Water Commission Watersheds • Canadian Wildlife Service permit for emergency work in National Wildlife Areas (Environment Canada) • Designated Watershed Notifications	No	Yes
Ancillary Services: Engagement of the following ancillary services required to conduct the Services at NSPI's expense: traffic control, backhoe, tree trimming for job site access, rock breaking, blasting, temporary roads, distribution swamp mats, hydro-vac truck, non-standard equipment (as per Table 7) for transmission and distribution work.	Yes*Unless specified in the Work Order that NSPI shall engage the ancillary services directly.	No*Unless specified in the Work Order that NSPI shall engage the ancillary services directly. .
Restoration of Work Site(s) upon completion of Work. **Note:** All Work Sites shall be left in a condition equivalent to conditions before Work began. As per the RFP submission, pricing includes for basic remediation costs such as leveling out ruts, grading roads or seeding up to a maximum of $500 (per Restoration Guidelines as attached in Appendix A-4). If additional costs are incurred these would be reimbursed by NSPI. This includes smoothing of all rutting within the right-of-way or on access trails. Any extraordinary charges associated with such task must have NSPI's approval before being executed. Extraordinary charges will be identified by the Service Provider on Work Order quotes wherever possible. Where extraordinary charges are not identified on Work Order quotes but are encountered in the field, the Change Order process provided for in this Agreement will be used to obtain NSPI's approval. The maximum $500 (per Restoration Guidelines) pricing shall not be applicable where the Service Provider has left excessive damage that is unreasonable given the course of the work at hand, did not appropriately prepared for the damage that was caused or has not remediated within a timely manner. The Service Provider shall use best efforts to restore Work Sites as soon as reasonably possible. The Service	Yes	No

Provider shall use best efforts to submit a resolution plan for any excess damage within five (5) business days of the damage being brought to the attention to NSPI. If the Service Provider fails to rectify according to the plan NSPI may back charge Provider for any costs.		
Identification of emergency services and remote travel plans	Yes	No
Preparation of risk assessment and job safety plans	Yes	No
Obtaining easements	No	Yes
Access permissions to Work Site	Yes	No
Coordination with NSPI to ensure access to transmission line corridors and all necessary travel easements for entry. NSPI shall be responsible for ensuring all staking and surveying requirements are met, however NSPI may engage the Service Provider to take full responsibility for staking and surveying. Surveying rate is set out in Appendix A-3 at a rate of Right of Way Planner.	Yes	No
Submission of the Work Plan to NSPI with the inputs from NSPI in accordance with Section 3.3 of Schedule "A"	Yes	No
Reporting to NSPI in accordance with the requirements set out in Table 2 herein.	Yes	No
Provision of Annual Work Plan for Transmission and Distribution Work in accordance with the requirements set out in Table 2 herein	No	Yes
Provision of Quarterly Distribution and Transmission Forecasts in accordance with the requirements set out in Table 2 herein	No	Yes

*Within sixty (60) days of this Agreement being executed, both Parties shall amend the Rate Schedule for right of way travel from a fixed rate schedule to a per kilometer schedule.

Table 1A – Process applicable to **Returning and Recording of Unused Materials at Service Providers Expense**

Steps	Action Required	Person responsible	Communication required with
1.	A capital project finishes and there is excess material that is to be returned for credit	Work Crew	Work Crew Supervisor/Work Plan Coordinator
2.	Service Provider's Work crew palletizes the excess material	Work Crew	Work Crew Supervisor/Work Plan Coordinator
3.	Work crews return the material and place it in the designated area marked with the yellow sign **"Transmission Returns"** or **"Distribution Returns"** and labels the pallet with the original Work Order to be credited. Contractor notifies NSPI's Work Plan coordinator.	Work Crew	Work Crew Supervisor/Work Plan Coordinator

B. Reporting Requirements:

As part of the Services, each of the Parties will have the reporting requirements set out in Table 2 below. NSPI agrees to provide the information and assistance required by the Service Provider in order for the Service Provider to deliver the Service Provider's reports/Work Plans in accordance with the delivery requirements set out in Table 2.

TABLE 2: REPORTING REQUIREMENTS

Report	Purpose	Key Content of Report	Delivery Expectation	Responsible Party
Dx Daily Project Report	• Provide a daily update of project status	Project Name Date Number of workers by skill set Equipment / machinery by type Risks notes Daily progress (high level)	The following day, by 4PM	Service Provider
Dx Project Portfolio Update (Weekly)	• Provide an up to date view of project status (start/completion dates, CUs, risks, etc.)	Project Name Work Order number Forecast Start Date Forecast End Date Project CUs CUs Completed to Date Risks Notes Project Status	Every Friday, by 12:00 pm (Noon)	Service Provider

Tx Project Portfolio Update (Weekly)	• Provide an up to date view of Project status (start/completion dates, CUs, risks, etc.)	Project Name Work Order number Forecast Start Date Forecast End Date Project CUs CUs Completed to Date Risks Notes Project Status	Every Friday, by 12:00 pm (Noon)	Service Provider
Tx Project Schedule Update (Weekly)	• Provide an up to date view of Work schedule for the purpose of confirming system requirements with the Purchaser's Control Centre	Line Number Work Order number Project Name/Number Work Start Date Work End Date System Requirements (Live/Dead) EUS Permit Holder, Number of crews on job Risks Notes	Every Monday, by 4:00 pm	Service Provider
Dx/Tx Project Portfolio Update (Monthly)	• Provide an up to date view of portfolio status (project status, safety/environment update, risks to Work Plan, etc.)	Work completed in the period (by project) YTD Work Completed Safety Report (for period and YTD) Environment Report (for period and YTD) Work Plan Status (construction forecast, schedule plan vs. actual, etc.) Work Plan Risks	Last day of the month	Service Provider
Dx/Tx Project Portfolio Update (Quarterly)	• Provide an up to date view of portfolio status (project status, safety/environment update, risks to Work Plan, etc.)	Work completed in the period (by project) YTD Work Completed Work Plan Forecast (NSP) Safety Report (for period and YTD) Environment Report (for period and YTD) Work Plan Status (construction forecast, schedule plan vs. actual, etc.) Work Plan Risks Efficiency / Productivity Update Industry Trends / Opportunities Corporate strategy update	Last day of the quarter	Service Provider
Annual Dx Work Plan	• Provide a forecast of the expected annual Work volumes	Annual CU volume CU profile by quarter	By Jan 31st of each year	Purchaser

Annual Tx Work Plan	• Provide a forecast of the expected annual Work volumes	Annual CU volume CU profile by quarter	By Jan 31st of each year	Purchaser
Quarterly Forecast Work Plan of Dx CUs	• Provide forecast of CUs to be executed by the contractor for the forward looking three calendar quarters	CU profile for upcoming quarters by month	At the end of each quarter	Purchaser
Quarterly Forecast Work Plan of Tx CUs	• Provide forecast of CUs to be executed by the contractor for the forward looking three calendar quarters	CU profile for upcoming quarters by month	At the end of each quarter	Purchaser
Change Order form	• Detail the scope, cost, and schedule impacts of items on Change Orders • Indicate field and office approval of Change Orders	Project Name Work Order number Change Description Change Impact (scope, schedule, budget) EUS Contact NSP Field Contact Approval Status	As set out in Schedule "F" Per guidance provided in Governance Model	Service Provider or Purchaser
Project Closure Report	• Notification that project is field complete • Identification of remaining costs to be invoiced	Project Name Work Order number(s) Start Date Field Complete Date CUs awarded CUs completed Safety / Environment Incident List Billing Data (CU costs, change order costs, costs to accrue) Improvement opportunities / Lessons learned	As set out in Schedule "F" Per guidance provided in Governance Model	Service Provider

2 RATES:

2.1 Transmission and Distribution Rates

The rates charged by the Service Provider for transmission and distribution Work per CU Hour over the Term shall be as set out below in Table 3 and Table 4 respectively:

TABLE 3: TRANSMISSION WORK:

Work Type	Contract Year 1 (Oct 1, 2019 to Sept 30, 2020	Contract Year 2 (Oct 1, 2020 to Sept 30, 2021)	Contract Year 3 (Oct 1, 2021 to Sept 30, 2022)	Contract Year 4 (Oct 1, 2022 to Nov 30, 2023)
Planned Work < 200 CU Hours	[redacted]			
Planned Work ≥ 200 CU Hours				

TABLE 4: DISTRIBUTION:

Work Type	Contract Year 1 (Oct 1, 2019 to Sept 30, 2020)	Contract Year 2 (Oct 1, 2020 to Sept 30, 2021)	Contract Year 3 (Oct 1, 2021 to Sept 30, 2022)	Contract Year 4 (Oct 1, 2022 to Nov 30, 2023)
Planned Work < 200 CU Hours	[redacted]			
Planned Work ≥200 CU Hours				

2.2 **Hourly Rates**

TABLE 5: DISTRIBUTION

The hourly rates for distribution Service Work and transmission Reactive Work over the Term shall be as set out in table 5 below:

Work Type	Contract Year 1 (Oct 1, 2019 to Sept 30, 2020)	Contract Year 2 (Oct 1, 2020 to Sept 30, 2021)	Contract Year 3 (Oct 1, 2021 to Sept 30, 2022)	Contract Year 4 (Oct 1, 2022 to Nov 30, 2023)
Transmission Reactive (Reg)	[redacted]			
Transmission Reactive (1.5x)				
Transmission Reactive (2x)				
Distribution Service Work (Reg)				
Distribution Service Work (1.5x)				
Distribution Service Work (2x)				

Distribution Service work includes two-person crew with fully provisioned on-road bucket truck, and assumes overall supervision is included. Should service work volumes increase such that multiple crews require field supervision from either a working foremen or construction manager then these additional resources will be reimbursable at the per the Appendix “A-3”, with prior approval from NSPI. Travel to and from the work area is fully reimbursable for the resources time per the Personnel Equipment Rate Table attached hereto as Appendix “A-3”. Any further resource requirements required to complete the work will be billed per Appendix “A-3”.

Transmission Reactive work includes five-person crew, pick-up trucks, offroad bucket truck, offroad digger and offroad crane. The substitution of any one piece of equipment for an excavator this would not lead to change in price. Transmission Reactive rates do not include Mobilization/Demobilization costs, these are fully reimbursable for the resources time per Appendix “A-3”, and the floating costs are fully reimbursable with an administrative fee per table 7. Should reactive work require field supervision from a construction manager then these additional resources will be reimbursable at the per the Appendix “A-3”, with prior approval from NSPI.

Heavy equipment shall be interchangeable at no extra expense to NSPI. NSPI may add a 4th piece of equipment at the rates set out in equipment table.

3 STORM AVAILABILITY

3.1 The Service Provider shall use reasonable efforts to make all in-province crews available for Storm Work.

In cases where Storm Work is required by NSPI on a regular working day (Monday-Thursday) or where weekend Storm Work has been retained in accordance with Section 2.3 of this Schedule A, the Service Provider must confirm crew availability in writing within 2 hours of NSPI’s notification.

3.2 **Storm Work Rates**

The hourly rates charged by the Service Provider for transmission and distribution Storm Work over the Term shall be as set out in Table 6 below:

TABLE 6: STORM WORK

Type of Storm Work	Contract Year 1 ($/per hour) (Oct 1, 2019 to Sept 30, 2020)	Contract Year 2 ($/per hour) (Oct 1, 2020 to Sept 31, 2021)	Contract Year 3 ($/per hour) (Oct 1, 2021 to Sept 30, 2022)	Contract Year 4 ($/ per hour) (Oct 1, 2022 to Nov 30, 2023)
Transmission Storm Work Hourly Rate – 5 person crew, 2 pickup trucks, 2 off-road vehicles	[redacted]			
Distribution Storm Work (Hourly Rates) – 2 person storm crew, Bucket Truck or 2 pole person crew, Digger Truck	[redacted]			
Storm Supervisor – Storm Supervisor of Crew Lead with pickup truck	[redacted]			

3.3 **Retainer for Storm Work**

In the event that NSPI anticipates a requirement for Storm Work on a weekend (Friday – Sunday), whether transmission or distribution related, NSPI must notify the Service Provider by no later than 3:00pm on the Thursday immediately prior to the anticipated weekend storm event and inform the Service Provider in writing of the type and quantity of resources NSPI wishes to retain for the anticipated weekend Storm Work and the period of time it wishes to retain such resources.

NSPI shall pay the Service Provider a retainer fee of $[redacted] per person per day for the weekend ("Retainer Fee"). The Retainer Fee will only be payable by NSPI to the Service Provider in the event that storm resources reserved by NSPI are not deployed by the Service Provider over such weekend for the anticipated Storm Work. In the event the retained resources are called out for Storm Work over on the weekend in question, the Retainer Fee shall be cease on the day of mobilization and service provider shall charge its normal rates for such Storm Work in accordance with the rates for Storm Work set out in Table 6 herein.

In the event NSPI requires Storm Work to be performed over a weekend without having retained resources as described above, the Service Provider will use commercially reasonable efforts to respond to NSPI with information on its crew availability and crew compliment details and to make such resources available to NSPI; provided, however, in the absence of an advance resource retainer, the Service Provider shall have no obligation to have resources available to perform such Storm Work for NSPI.

NSPI agrees that during Term, the Service Provider shall have a right of first opportunity on all Storm Work required by NSPI. For certainty, NSPI shall not engage a third party to perform any Storm Work during the Term without first offering such Storm Work to the Service Provider to perform.

3.4 **Storm Work:**

(a) See Appendix "A-1" for definitions of crews required for Storm Work, along with their skill requirements, responsibilities and minimum vehicle tooling requirements.

(b) For Storm Work, NSPI will not pay for additional crew members, above the standard definition of a crew in Table 6, unless specifically requested by NSPI or preapproved by NSPI. Time sheets must be attached to the invoice and the invoice shall include NSPI Representative's name.

Support Personnel Parameters – The table below details Support Personal parameters and what Support Personnel NSPI will pay for. Any exceedances shall be approved by NSPI prior to deployment. In the case of a larger event requiring more than 24 crews, NSPI and the Service Provider may discuss additional Support Personnel.

# of Crews	**General Foreman**	**Supervisor**	**Safety Specialist**	**Mechanic**
5 - 9	0	1	0	0
10 - 14	0	2	0	0
15 - 19	0	3	0	1
20 - 24	1	4	1	2

(c) Meals, lodging and toll expenses incurred while traveling to perform Services will be reimbursed by NSPI in accordance with this section and where itemized receipts are provided. Expenses must be outlined in the Invoice for Services and copies of receipts must be provided with the invoice for Services. Detailed receipts are required – credit card statements are not an acceptable form of documentation. Generally lodging will be based on 2 persons per room unless extenuating circumstance prevails. All expenses will be billed at a cost without markup. Fuel receipts showing volume, location of purchase, date and time are to be submitted with invoice. Service Provider agrees to have vehicles fully fueled prior to mobilization at its expense.

(d) NSPI will not compensate the Service Provider for personnel stranded on Planned Work or Reactive Work as a result of Storm Work activities.

(e) Mobilization is the time it takes for the Service Provider resources to travel from the Service Provider yard or location at time of mobilization to the NSPI first destination point. Demobilization is the travel time from the last NSPI destination back to the Service Provider's yard. NSPI will determine the distance between the Service Provider Yard and NSPI's destination points, as determined by Google Maps, to determine the number of reimbursable mobilization and demobilization hours. Regardless of the actual Service Provider travel time, NSPI will pay the Service Provider 1.5 times the Google Maps generated traveling time. Travel shall be charged at the per hour rate indicated in section 1. Once the Google Maps provided travel time is known, NSPI will convert the time to minutes, multiply by 1.5, convert time back to hours, and round to the nearest half hour. Below is an example to illustrate how this will work:

- 1st Suggested Google Maps route has a travel time of 4 hours 32 minutes
- 4 hours 32 minutes equated to 272 minutes
- 272 minutes x 1.5 equals 408 minutes

- 408 minutes equates to 6.8 hours
- 6.8 hours round to the nearest half hour is 7 hours
- Service Provider would be paid 7 hours for mobilization (at mobilization billable

rate)

(f) Floating costs for staging equipment are fully reimbursable with an administrative fee per table 7.

(g) Should crews be released less than 3 hours after being called out for Storm Work a 3 hour minimum storm call-out fee will be charged to compensate the Service Provider for lost productivity.

(h) Beyond the first day of initial call-out and last day when crews are released, all storm days are considered to start at 07:00AM unless customer requests an earlier start. If crews are requested to move from day to night shift and require an 8 hour rest period, NPSI shall compensate for four hours. Beyond the first day of initial call-out and the release date, each day will be a minimum of 12 hours.

3.5 **Distribution/ Transmission Standby (non-storm):**

- Personnel Standby (home) = $[redacted] per day per person with a 3-day minimum commitment.
- Equipment Standby = Mobilization charges shall only be applied if gear is requested in a specific location or if the specific piece of equipment needs to be exchanged for maintenance.

The above rates set out in this Section 3 are subject to an annual increase of 3% in each Contract Year during the Term commencing in the second Contract Year.

3.6 Service Provider will be able to use all existing rights-of-way, access trails, roads, etc. of NSPI without cost to the Service Provider, subject to prior approval from NSPI.

3.7 Service Provider right-of-way travel compensation is as follows:

For Work Orders less than or equal to 200 CUs Total = 0.30 * number of CU hours * applicable CU rate

For Work Orders greater than 200 CUs but less than or equal to 600CUs Total =0.21* number of CU hours * applicable CU rate

For work orders equal to or greater than 600 CUs total = 0.13 * number of CU hours * applicable CU rate

The service provider will commit to offering NSPI an alternative unit-based compensation mechanism 120 days after the contract effective date for consideration

3.8 In addition to the CU Hourly rates, the Service Provider shall charge NSPI and NSPI shall pay the Service Provider for all reasonable expenses incurred by the Service Provider in carrying out the tasks listed in Table 7 below (and any other ancillary services identified in Table 1 as the responsibility of the Service Provider), plus an administration fee as listed in table 7. Service Provider must provide supporting documentation for all such expenses and use NSPI's existing suppliers wherever the rates for such suppliers are less expensive than the Service Provider's suppliers and contract terms allow. Service Provider shall demonstrate competitive process was used and provide NSPI clear visibility to that process. For the duration of the Agreement, the rates set out in Table 7 shall not increase.

Table 7: REIMBURSABLE EXPENSES

Ancillary Services	Administrative Fee
Access	[redacted]
Rock Breaking or Blasting	[redacted]
Traffic Control	[redacted]
Tree Trimming	[redacted]
Backhoe	[redacted]
Hydro Vac Truck	[redacted]
Floating Costs (Hourly Rates Only)	[redacted]
JM Non-standard equipment for transmission Work (boats/barges, large cranes (above 25-ton/100'), buckets, cranes, diggers ~~etc.)~~ above 80') Aerial services (helicopter)	[redacted]

In cases where ancillary services can be identified in advance, expected use of ancillary services must be detailed in individual Work Orders. The Work description must include the plan and estimated costs for each service. When ancillary services cannot be identified in advance and are identified in the field, all costs will be estimated and approved through the Change Order process. Approval of ancillary services in advance or through the Change Order process, and resulting billing from subcontractors, will not be unreasonably withheld or delayed. The Service Provider agrees to manage the ancillary services for best value to NSPI.

3.9 Personnel and Equipment (Additional Services) - The rates for the Service Provider's personnel and equipment when used for Additional Services and when certified as necessary by NSPI shall be in accordance with the Personnel Equipment Rate Table in Appendix "A-3". The said rates shall be increased by 3% each Contract Year commencing in the second Contract Year. For greater certainty, nothing in this Agreement shall obligate the Service Provider to perform Additional Services for NSPI. Additional Services will only be provided upon agreement of the parties

3.10 For Work Orders that are interrupted by NSPI, NSPI will compensate the Service Provider on an hourly basis in accordance with the Personnel Equipment Rate Table in Appendix "A-3".

NSPI will compensate the Service Provider for delay time/idle time with planned or hourly work for the reasons set out below based on the rates set out in Appendix "A-3" provided, however, the Service Provider will make commercially reasonable efforts to avoid and minimize the impact of unplanned idle time.

3.11 **Compensable Delays/Idle Time Caused by NSPI:**

- Delays caused by inadequate tree trimming or other site access delays
- Easements not obtained
- Locates not obtained
- Permits not obtained
- Material not available as required
- Engineering and/or design changes to the Work Package mid-stream which would cause a

disruption in Work

- Resources required for unproductive oversight of ancillary services (quantity of resources for oversight to be agreed as part of Work Order quoting and/or change order process).
- Cancellation of a previously committed permit or Hold-off or outage. However, if alternate Work can be provided the same day, idle time will not be compensated but mobilization and demobilization will be charged
- Delay of a committed permit or Hold-off resulting in an inability to complete the Work of the day within the planned timeframes
- Purchaser's preferred service suppliers directly result in a delay to Service Provider works, outside of the Service Provider's control

All above noted delays shall be compensated at three (3) hours maximum if less than twenty-four (24) hours notice given, unless notified by NSPI.

3.12 Purchaser agrees to compensate Service Provider for any right-of-way scoping, logistics or material preparation performed by the Service Provider for a Work Order released to the Service Provider but is subsequently cancelled or delayed by more than a six (6) month period from the date scoping/preparation is completed. In such case the Service Provider will provide the standard right-of-way Work Plan document to Purchaser to verify that work has been completed. Compensation shall be as per the rates set out in Appendix "A-3".

4 WORK SCHEDULE:

4.1 NSPI will identify the priority of the Work within the Work Order. NSPI shall prioritize the work in a manner that avoids inefficiency wherever possible. Should NSPI request the Service Provider to mobilize to a new work site without allowing time for existing work to be fully completed, then such undue mobilization costs shall be reimbursed by NSPI. The Service Provider agrees to propose a Work Plan in a manner aligned with the identified priority. In cases where the Service Provider cannot deliver a proposal that satisfactorily addresses NSPI requirements, the Parties will, in good faith, attempt to identify a solution. If a mutually agreeable solution is still not available, NSPI will escalate the matter through the dispute escalation process described Schedule "H".

4.2 NSPI and the Service Provider will follow the process outlined in Schedule "H" for awarding Work, issuing Work Orders, Change Order requests and escalations.

4.3 NSPI will identify the expected timing of the Work and the Work Plan and the schedule will be adjusted, upon reasonable notice to the Service Provider, as required by NSPI based on the actual Work commencement dates established by NSPI.

The Service Provider agrees to maintain a Work Plan that is aligned with identified Work constraints (system schedule, seasonality, land access, etc.) and aligned with NSPI guidance on delivery expectations. The Service Provider will provide NSPI with a plan for resolving or addressing any concerns with delivery upon identification of delivery risk or failure to meet stated targets. In the event the Service Provider does not meet the agreed upon Work Plan schedule and/or is falling behind, the Service Provider will be responsible for submitting a "recovery" plan detailing how the Service Provider will recover the schedule. The Service Provider will be responsible for submitting the recovery schedule to NSPI no later than 5 business days from the initial date of request.

4.4 Should NSPI change the Service Provider's Transmission Work Plan less than three (3) business days in advance of mobilization then the Service Provider shall be entitled to charge entitled to a change fee listed below change fee associated with reactive planning, logistics, material preparation as well as productivity impacts. This change fee, however, shall not apply in the following situations:

- if changed by one (1) to two (2) days, the three (3) hour daily minimum shall apply; or

- if greater than two (2) days, $2,500 per crew, per cancellation shall apply-mobilization charges will apply if equipment has already been mobilized to Work Site.

5 STORM AVAILABILITY

5.1 The Service Provider shall use reasonable efforts to make all in-province crews available for Storm Work.

In cases where Storm Work is required by NSPI on a regular working day (Monday-Thursday) or where weekend Storm Work has been retained in accordance with Section 2.3 of this Schedule A, the Service Provider must confirm crew availability in writing within two hours of NSPI's notification.

6 ESTIMATED VOLUMES OF WORK:

[redacted]

[redacted]

[redacted]

7 WARRANTY:

7.1 The Service Provider will promptly correct at its expenses, all defects and deficiencies in the Services which appear prior to and during the period of the one (1) year warranty which starts from the date the undisputed invoice for completed projects (distribution) or structure (transmission) is received ("Warranty Period"). For certainty, the foregoing warranty excludes distribution Storm Work and any materials provided by NSPI.

7.2 If the service provider submits their "Notice of Completion" document and NSPI fails to complete a field validation within 90 days of the Service Provider notifying NSPI that the Work has been completed, the Work will be deemed to have been accepted by NSPI (unless otherwise agreed to in writing). For the purposes of this Section 6, "field validation" means the inspection and notation of deficiencies of the Work by NSPI. In the event the Service Provider provides an inaccurate Notice of Completion, back charges of NSPI costs will be incurred.

7.3 The Warranty Period in respect of any defective or deficient Services is automatically extended by the duration of any period or periods where the Services are unavailable for use or cannot be used because of a defect or deficiency which appears during the Warranty Period

7.4 Work Site remediation issues that fail as a result of poor workmanship will be covered by Service Provider within the Warranty Period.

8 PERFORMANCE SECURITY:

[redacted]

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APPENDIX "A-1"

STORM WORK - CREW DESCRIPTIONS

CONTRACTOR DESCRIPTIONS
Line Crew- Storm Restorations

Hours of work: 16 hours/day maximum with 8 hours rest period between shifts

Reports to: crew leader or NSPI rep.

Crew compliment: 2 person crew will consist of either 2 certified power line technicians (PLT) or one certified power line technician and one 3rd or 4th phase power line apprentice and in an appropriate aerial device truck equipped with specified tools and equipment (as listed in agreement). Unless specified from NSPI.

Skill requirement: Certified PLT (qualified electrical worker) who would be qualified in their home territory to work in distribution class primary voltages or certified PLT (non-qualified electrical worker) who is capable of working deadline. An apprentice would be registered in an apprenticeship program, having completed 50% of the program and Level 2 training. This would include Powerline Technician, distribution construction lineman or lineman (electrical utility) certifications.

General Responsibilities: The Restoration crew is responsible for overall completion of the restoration portion of the Emergency Service Restoration Plan for their assigned region/area.

Specific Accountabilities;

- Qualified electrical crews' work would be responsible for closing switches, energizing lines and installation and removal of grounds.
- Deadline work could consist of: repairing and resagging grounded conductor: install, remove, and transfer triplexed, open services and transformers: clearing trees from line.
- Ensure that all tools and material requirements for the job are communicated to the crew leader.
- Ensure the restoration activities are carried out by all crews working jointly, is carried out in a safe and efficient manner.
- Monitor any emerging customer/safety issues and communicate to the Crew leader.
- Communicate progress to Crew leader.
- Ensure that all safety and environmental procedures are being followed and that any risks and hazards are identified and reported to Crew leader.
- Monitor and manage emerging issues and longer term impacts.

Pole Crew- Storm Restoration

Hours of work: 16 hours/day maximum with 8 hours rest period between shifts

Reports to: crew leader or NSPI rep.

Crew compliment: 2 persons and digger truck

Skill requirement: Experienced operator, in setting and removing poles and anchors with the appropriate license and the classification for hauling a trailer in excess of 4,500kg. This would include lineman (utility) and operating lineman certifications.

General Responsibilities: The Restoration crew is responsible for overall completion of the restoration portion of the Emergency Service Restoration Plan for their assigned region/area.

Specific Accountabilities:

- Installing and removing deadset poles and anchors.
- Ensure that all tools and material requirements for the job are communicated to the crew leader.
- Ensure the restoration activities are carried out by all crews working jointly, is carried out in a safe and efficient manner.
- Monitor any emerging customer/safety issues and communicate to the Crew leader.
- Communicate progress to Crew leader.
- Ensure that all safety and environmental procedures are being followed and that any risks and hazards are identified and reported to Crew leader.
- Monitor and manage emerging issues and longer term impacts.

<u>Supervisor- Storm Restoration</u>
Hours of work: 16 hours/day maximum with 8 hour rest period between shifts
Reports to: NSPI supervisor/ rep
Crew compliment: 1 person and vehicle

General Responsibilities: The contractor supervisor is responsible for the overall direction of their crews, in assisting NSPI with the storm restoration portion of the Emergency Services Restoration Plan for an assigned region/area. This is to be done in a safe and effective manner as per the NSPI Safety Manuel and NSPI Policies & Procedures.
Specific Accountabilities:

- Ensure that all their vehicles and equipment needed to carry out the storm restorations are provided, as per agreement.
- Ensure that their crews report to the appropriate depot/ restoration office and announce their presents to the local supervisor.
- Ensure that logistical needs are known by their NSPI rep/supervisor, ie. food and accommodations.
- Review work packages and daily safety message with crews each day.
- Ensure adequate resources are available to effectively implement the work package and provide information regarding any gaps.
- Ensure restoration plan progresses according to schedule and provide regular feedback to NSPI rep/supervisor.
- Conduct ongoing evaluation to ensure that all safety and environmental procedures are being followed and that any risks and hazards are identified and addressed. Report concerns or deviations as per the incident to their NSPI rep/supervisor.
- Monitor and manage emerging issues and longerterm impacts and report to your NSPI rep/supervisor.
- Monitor crews' deployment and returns to identify potential health and safety issues.
- Ensure that your crews utilize NSPI's Risk Assessment forms for each job site.

1. Vehicle Tooling Requirements

Each vehicle involved in providing any of the Services must have the follow tools in order to complete the Services:

- Hot line switch stick(s) (at least 1 to be 8' long)
- Grip all sticks (at least one to be a minimum of 6' long)
- Pullers- chain or strap (enough for a 3 phase line)
- Pullers to do service cable
- Grips to fit conductor from #6 copper to 336 aluminum (enough for a 3 phase line)
- Crimping tools and dies for all sleeves up to 1/0 ACSR

- At least two sets of hand tools such as wrenches, screwdrivers, hammer, ruler, knife, pliers.
- 1 complete set of temporary grounds (min1/0) and shunt
- Flashlights
- Bolt cutters (to cut guy wire and conductor up to 336 ACSR)
- Hand lines
- Slings for transformers and to attach pullers to a pole
- Impact guns (small and large) and shells
- Volt meter (a meggar would be ideal)
- Press and dies for sleeves 2/0 AASC, 4/0 ASCR and 336 AL and ACSR'
- Sledge hammer for driving ground rods or ground rod driver
- Some form of cover up rated and tested for 25kv
- Wirebrush
- Bucket harness and climbing gear
- Method of communication for each crew (ie. cell phones)
- Fiberglass Ladder
- Hydraulic saw or chain saw, chain saw pants/chaps, hearing protection
- Fire extinguisher
- First aid kit
- Spill Kit
- Personal protection equipment including but not limited to steel toe boots and rain gear. Additional equipment should be brought by the supervisor. Extra equipment includes but is not limited to the following: extra gloves and hard hats.

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APPENDIX A-2

COSTS/EXPENSES

All expenses shall follow NSPI's expense policies as referenced above in Schedule A, Section 3.4(c). All expenses are subject to audit.

APPENDIX A-3

PERSONNEL EQUIPMENT RATE TABLE

The following rates are subject to an annual increase of 3% October 1st of each Contract Year commencing in the second Contract Year. Applicable to a 4 year agreement (including the optional Renewal Term).

Personnel Rates (Hourly)				
Position	**Regular**	**1.5x**	**2x**	**Storm**
PLT	[redacted]			
PLT Working Foreperson				
PLT Lead Hand				
Apprentice 8 PLT				
Apprentice 7 PLT				
Apprentice 6 PLT				
Apprentice 5 PLT				
Apprentice 4 PLT				
Apprentice 3 PLT				
Apprentice 2 PLT				
Apprentice 1 PLT				
Storekeeper				
Substation Technician				
Substation Mechanic				
Digger Operator/Grounds Person				
Grounds Person/Truck Driver				
Grounds Person				
Grounds Person - Learner				
Mechanic / Operator				
Mechanic Welder				
Mechanic Helper				
Utility Person				
Utility Tree Trimmer				
Equipment Operator A (6 EE)				
Equipment Operator B				
Equipment Operator C (4 EE)				
Equipment Operator D (3 EE)				
Blaster - Compressor Operator				
Mixer Operator				
Instrument Person				
Rod Person/Chain Person				
Traffic Control Person				
Arborist				
Apprentice Arborist				
Communications Installer				
Utility Tree Trimmer				

Personnel Rates (Hourly)				
Position	**Regular**	**1.5x**	**2x**	**Storm**
Utility Electrician	[redacted]	[redacted]	[redacted]	[redacted]
Construction Manager	[redacted]	[redacted]	[redacted]	[redacted]
Project Manager	[redacted]	[redacted]	[redacted]	
Planning Manager	[redacted]	[redacted]	[redacted]	
Right-of-Way Planner	[redacted]	[redacted]	[redacted]	
Project Coordinator	[redacted]	[redacted]	[redacted]	
Logistics Manager	[redacted]	[redacted]	[redacted]	
Materials Coordinator	[redacted]	[redacted]	[redacted]	
Safety Specialist	[redacted]	[redacted]	[redacted]	
Environmental Specialist	[redacted]	[redacted]	[redacted]	

Equipment Rates (Fuel and Insurance included)		
Description	**Hourly**	**Daily**
Pickup Truck	[redacted]	[redacted]
Personnel Carrier (All Terrain)	[redacted]	[redacted]
Bucket Truck (60')	[redacted]	[redacted]
Digger Truck	[redacted]	[redacted]
Crane Truck (30 ton)	[redacted]	[redacted]
Tracked Bucket Truck (60')	[redacted]	[redacted]
Tracked Digger Truck (4050)	[redacted]	[redacted]
Tracked Crane Truck (30 ton)	[redacted]	[redacted]
Tracked Flat Deck Truck	[redacted]	[redacted]
Tracked Dump Truck	[redacted]	[redacted]
Tracked Excavator (17-24 ton)	[redacted]	[redacted]
Pole Trailer	[redacted]	[redacted]
Reel Trailer	[redacted]	[redacted]
4 Drum Puller Trailer	[redacted]	[redacted]
Tensioner Trailer	[redacted]	[redacted]
Cargo Trailer	[redacted]	[redacted]

APPENDIX A-4

TRANSMISSION REMEDIATION GUIDELINES

1) Access roads, dirt or paved:

Damage: ruts, surface wear, potholes, gravel loss, cracked or damaged pavement.
Repair: a) level out ruts, grade road, 1-2 loads of gravel- Service Provider
b) more than 2 loads of gravel- NSP
c) patch/repair pavement- Service Provider if plywood isn't used, NSP if damage is unavoidable.

Note: if traveling down a ROW is an option (with-in a reasonable distance) instead of damaging a road then this needs to be considered as the remediation costs may be more than additional fuel to travel the machines down the ROW.

2) Lawns/farm lands and fields:

Damage: ruts on route to row or structure, excavation at or around str., crop loss.
Repair: a) level ruts, seed, sod under $500 – Service Provider
b) sod over $500 or major ground leveling costs - NSP
c) crop loss compensation assuming Service Provider crews were not negligent – NSP

3) Tree removal:

Damage: removal/trimming of trees to access ROW or str.
Repair: compensation to owner for tree loss assuming Service Provider crew were not negligent – NSP.

APPENDIX A-5

CU LIBRARY

SCHEDULE B

SAFETY & CONTRACTOR ENVIRONMENTAL POLICY

The Service Provider shall comply with the following safety and environmental policies in the performance of the Work:

- EMA 1 – Occupational Health and Safety Policy;
- EMA 2 – Environmental Policy;
- EMA 3 – Respectful Workplace Policy;
- EMA 5 – Smoke-Free Workplace Policy;
- EMA 8 – Alcohol and Drug Policy;
- Alcohol & Drug – Statement of Expectations for Contractors;
- Contractor Environmental Requirements; and
- Contractor Safety Program.

The above noted policies are available online at www.emera.com/policies.

SCHEDULE C

CONFIDENTIALITY AND NONDISCLOSURE SCHEDULE

1. **Definitions**. In this Schedule the following terms have the following meanings:

   (a) "**Business Day**" means every day except Saturday, Sunday and statutory holidays in the Province of Nova Scotia.

   (b) "**Confidential Information**" means all information, regardless of the form in which it is communicated or maintained and prepared by the Disclosing Party as defined herein, and is disclosed directly or indirectly to the Receiving Party as defined herein, in connection with the Transaction. Confidential Information includes, but is not limited to the following: all reports, analyses, notes, memoranda, correspondence, spreadsheets, drawings, survey plans, maps, contracts, commercial arrangements, intellectual property, trade secrets, corporate strategies, business plans or other information that is based on, contain or reflect any Confidential Information.

   (c) "**Disclosing Party**" means the party that discloses its Confidential Information to the Receiving Party, as defined herein.

   (d) "**Receiving Party**" means the party that receives the Confidential Information.

   (e) "**Representatives**" means any of the Receiving Party's consultants, subcontractors and agents.

2. **Nondisclosure and Use of Confidential Information**. The Receiving Party shall keep the Confidential Information in the same manner that the Receiving Party keeps its own Confidential Information or to a standard of no less than reasonable care, whatever standard is higher. The Confidential Information may be disclosed to Receiving Party's Representatives but only if such Representatives require the Confidential Information in connection with the Transaction. The Confidential Information shall not be used by the Receiving Party or its Representatives for any purpose other than in connection with the Transaction. It is understood as follows:

   (a) Representatives will be informed by the Receiving Party of the confidential nature of the Confidential Information. The Receiving Party shall require the Representatives to adhere to the terms of this Schedule.

   (b) In any event, the Receiving Party shall responsible for any breach of this Schedule by any of its Representatives.

   (c) The Receiving Party shall not use, reveal, release, disclose or divulge the Confidential Information in any form whatsoever to any person other than as permitted hereby unless the Receiving Party has received the prior written consent of the Disclosing Party. The Receiving Party shall safeguard the Confidential Information from unauthorized disclosure. The term "person" will be interpreted broadly to include any corporation, partnership, individual or governmental authority.

(d) Any information furnished to the Receiving Party by a director, officer, employee, stockholder, partner, co-venturer, consultant, agent, or representative of Disclosing Party will be deemed furnished by Disclosing Party.

3. **Permitted Disclosure**. The obligations set forth in Paragraphs 1 and 2 above shall not in any way restrict or impair the right of the Receiving Party to disclose and use the following information:

(a) information that is publicly available at the time of disclosure or becomes publicly available other than as a result of a violation of this Schedule;

(b) information which becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party or a Representative of the Disclosing Party if such source was not, to the Receiving Party's or its Representatives' knowledge following due inquiry, bound by a confidentiality agreement with the Disclosing Party or subject to any other prohibition against transmitting the information to the Receiving Party;

(c) information that the Receiving Party can demonstrate was legally in its possession prior to disclosure by Disclosing Party and is not subject to a confidentiality obligation;

(d) information developed by the Receiving Party independently of any Confidential Information received under this Schedule without reference to, or consideration of the Confidential Information, or breach of this Agreement, as demonstrable by the Receiving Party; or

(e) information required to be disclosed by any law, order of a court of competent jurisdiction, or regulatory body with regulatory responsibilities over the Receiving Party.

Any specific Confidential Information or any combination of features comprising the same, will not be deemed to fall within paragraphs 3(a) to (e) inclusive, simply because the Confidential Information is contained within more general information or individual features that are included in paragraphs 3(a) to (e).

4. **Notice Preceding Compelled Disclosure**. If the Receiving Party or its Representatives are requested or required by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand, or similar process to disclose any Confidential Information, the Receiving Party shall promptly notify the Disclosing Party in writing of such request or requirement so that the Disclosing Party may seek an appropriate protective order or waive, in whole or in part, compliance with this Schedule. If, in the absence of a protective order or the receipt of a waiver hereunder, the Receiving Party or its Representatives are compelled to disclose the Confidential Information or else stand liable for contempt or suffer other censure or penalty if the Receiving Party or its Representatives do not disclose the Confidential Information, the Receiving Party or its Representatives may disclose only such portion of the Confidential Information to the party compelling disclosure as is required by law. The Receiving Party will provide reasonable cooperation to the Disclosing Party and its legal counsel with respect to performance of the above-noted covenants.

5. **Return of Confidential Information**. The Confidential Information will remain the property of Disclosing Party. Upon request, at the option and instruction of the Disclosing Party, the written Confidential Information, or any copies thereof, will be returned to Disclosing Party promptly. No copies of the Confidential Information will be retained by Receiving Party, unless the parties agree otherwise in writing with the exception of one legal file copy that may be retained in the custody of the Receiving Party's legal counsel solely for the determination of its legal obligations under this Schedule. Any Confidential Information that may be found in drafts, notes, compilations, studies, synopses, or summaries thereof, or other documents prepared by or for the Receiving Party, and written Confidential Information not so requested to be returned, will be held by the Receiving Party subject to the terms of this Schedule, or destroyed. Notwithstanding the foregoing, the Receiving Party shall not be obligated to erase or destroy Confidential Information that is contained in an archived computer system back- up system. Such information shall be destroyed in accordance with the Receiving Party's standard security or disaster recovery procedures provided that such information is not readily accessible and no attempts are made to recover such Confidential Information. Notwithstanding the return or destruction of material, information and documents containing Confidential Information the terms and conditions of this Schedule remain in force and effect. The Receiving Party is responsible for retrieving all Confidential Information from its Representatives other than those who have entered into a confidentiality agreement with the Disclosing Party.

6. **No Waiver**. No failure or delay in exercising any right, power or privilege hereunder will operate as a waiver thereof. No single or partial exercise of any rights hereof will preclude any other or further exercise of any other right, power, or privilege hereunder.

7. **Remedies**. The Receiving Party acknowledges and agrees that monetary damages would not be a sufficient remedy for any breach of this Schedule and that any breach or violation of the terms of this Schedule by the Receiving Party will result in immediate and irreparable harm to the Disclosing Party. The Disclosing Party will be entitled to specific performance and injunctive relief as remedies for any such breach. Such remedies will not be deemed to be the exclusive remedies for a breach of this Schedule by the Receiving Party but will be in addition to all other remedies available at law or in equity to Disclosing Party.

8. **No Representations**. Neither party makes any representation or warranty, express or implied, as to the accuracy or completeness of any Confidential Information provided by it hereunder. Both parties agree to assume full responsibility for all conclusions that it derives from its review of the Confidential Information.

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SCHEDULE D

PERFORMANCE

Measure	Performance Metric	Incident Level	
Environmental	Adhere to terms of Nova Scotia Power Safe Environmental Management System 4.01	Minor	B
		Moderate	C
		Significant	D
		>2 Significant (12 months Rolling)	F
Safety	Adhere to terms of Nova Scotia Power SWP 14	High Potential First Aid	B
		Medical Aid / Lost Time	C
		Electrical Contact	D
		>5 DoL Orders (12 months Rolling)	F
Service Delivery	Ability to complete work that is forecast and ready to execute. Actual Work Completed versus Target Work to Complete.	See Table Below	

Service Delivery	Measure	Score
Target work completion volume for quarter is calculated as: CU Hours able to be executed in the quarter, adjusted for Force Majeure Events and Purchaser caused delay	Work completion variance less than 14%	A
	Work completion variance 15% - 29%	B
	Work completion variance 30% - 44%	C
	Work completion variance 45% - 59%	D
	Work completion variance >= 60%	F

Performance Actions			
Safety	Environment	Service Delivery	Action
A			No Action
B			Bi-weekly Operating Committee Meeting review and discussion and or Project(s) schedule review with variance root cause, corrective actions, recommendations.
C			Action from above, plus; Senior management review
D			Action from above plus; suspension of work for crew or division until pending agreed upon action plan
F			Action from above, plus; Executive Management review with consideration to Section 8 of the line services contract

SCHEDULE E

CERTIFICATE OF INSURANCE

This Certificate of Insurance has to be completed by a licensed Insurance Representative or Insurer(s)

Certificate Holder: Nova Scotia Power Inc. RFP/Contract #: ____________________

Broker Name & Address: __________________

Contractor's Company Legal Name & Address: __________________

This document confirms that the following policies along with indicated coverage are in force covering the operation of the insured in connection with the above noted RFP or Contract.

Type(s) of Insurance	**Limits of Liability**	**Required**	**Insurer(s) & Policy Number**	**Effective / Expiry Dates**
Commercial General Liability including:	$5,000,000 per occurrence & annual aggregate	X		
*Products & Completed Operations and Personal Injury	As per policy limit	X		
*Broad Form Property Damage	As per policy limit	X		
* Contingent Employer's Liability	As per policy limit	X		
* Cross liability and Severability of Interest	As per policy limit	X		
* Contractual Liability	As per policy limit	X		
*Sudden & Accidental pollution	As per policy limit			
* Non Owned Auto Liability	$5,000,000	X		
* **Automobile Third Party Liability** covering all vehicles owned, operated, or leased to the Named Insured	$5,000,000	X		

***Contractor's Pollution Liability**	$5,000,000 per occurrence & annual aggregate	X		
***Professional Liability (if applicable)**	$5,000,000 per occurrence & annual aggregate			
***All Risk" Builder's risk or Construction All Risk policy (for newly build construction only when applicable)**	$5,000,000 per occurrence & annual aggregate	X		

The insurer will endeavor to notify Nova Scotia Power in writing, 30 days prior to cancellation or material change of any policy except in the event of non-payment, where policy conditions dealing with termination will apply.

Upon award of the contract, Nova Scotia Power Inc. will be added as Additional Insured under the Contractor's Commercial General Liability policy.

Name of Insurer's Officer or Authorized Representative: ___________________________

Insurance Representative: (Please print) ____

Insurance Representative: Signature: __________________________ Date ________________________

Phone #: _____________________________ Email Address: _____________________________________

SCHEDULE F

GOVERNANCE MODEL

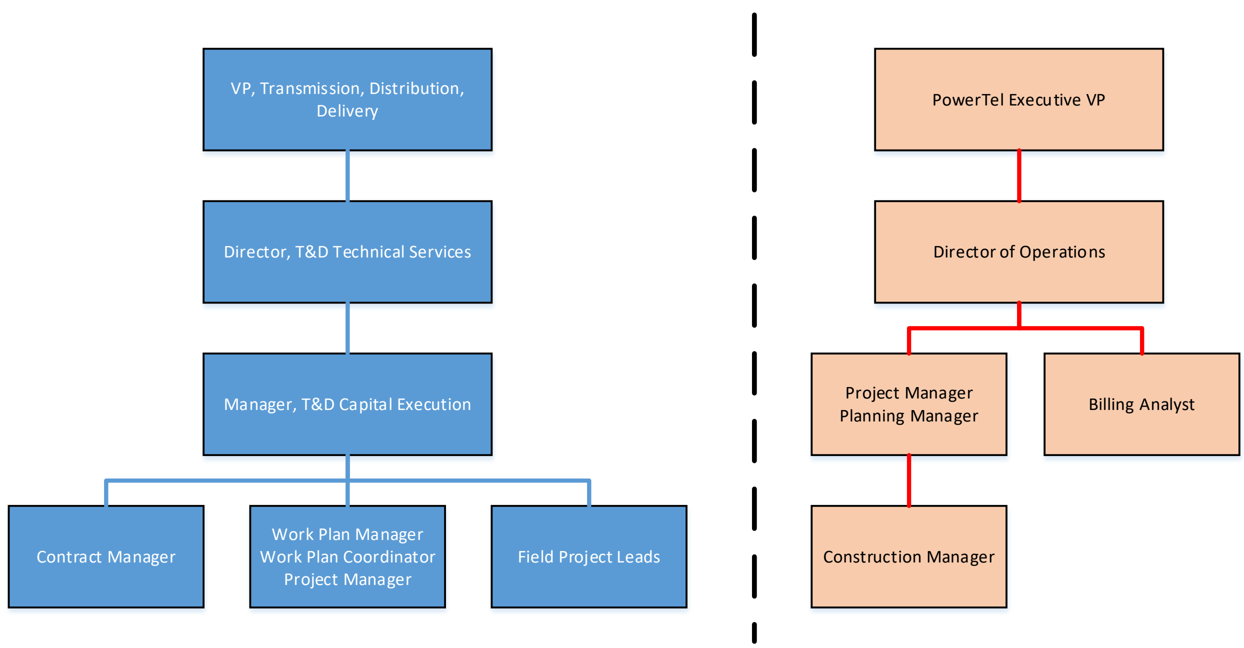
The purpose of the foregoing Governance Model is to provide the Parties with a monitoring and decision-making framework along with a set of manageable processes for administering the Agreement over the Term.

A scheduled review of this Governance Model is to occur on an annual basis. Changes to the Governance Model or the delivery processes identified during the course of the year will be proposed through the Operating Committee and approved jointly by NSPI's Director of T&D Technically Services and the Service Provider's General Manager (or their respective designates).

Governance principles:

- The Governance Model details the division of accountabilities for each Party and within each working group working within the Agreement.
- Escalations of disputes should follow the established processes set out in Part III below to ensure consistent and timely management of critical concerns.
- The Parties are required to regularly update contact information and evaluate processes for ongoing effectiveness.
- Both Parties commit to regular meeting and timely decision-making.

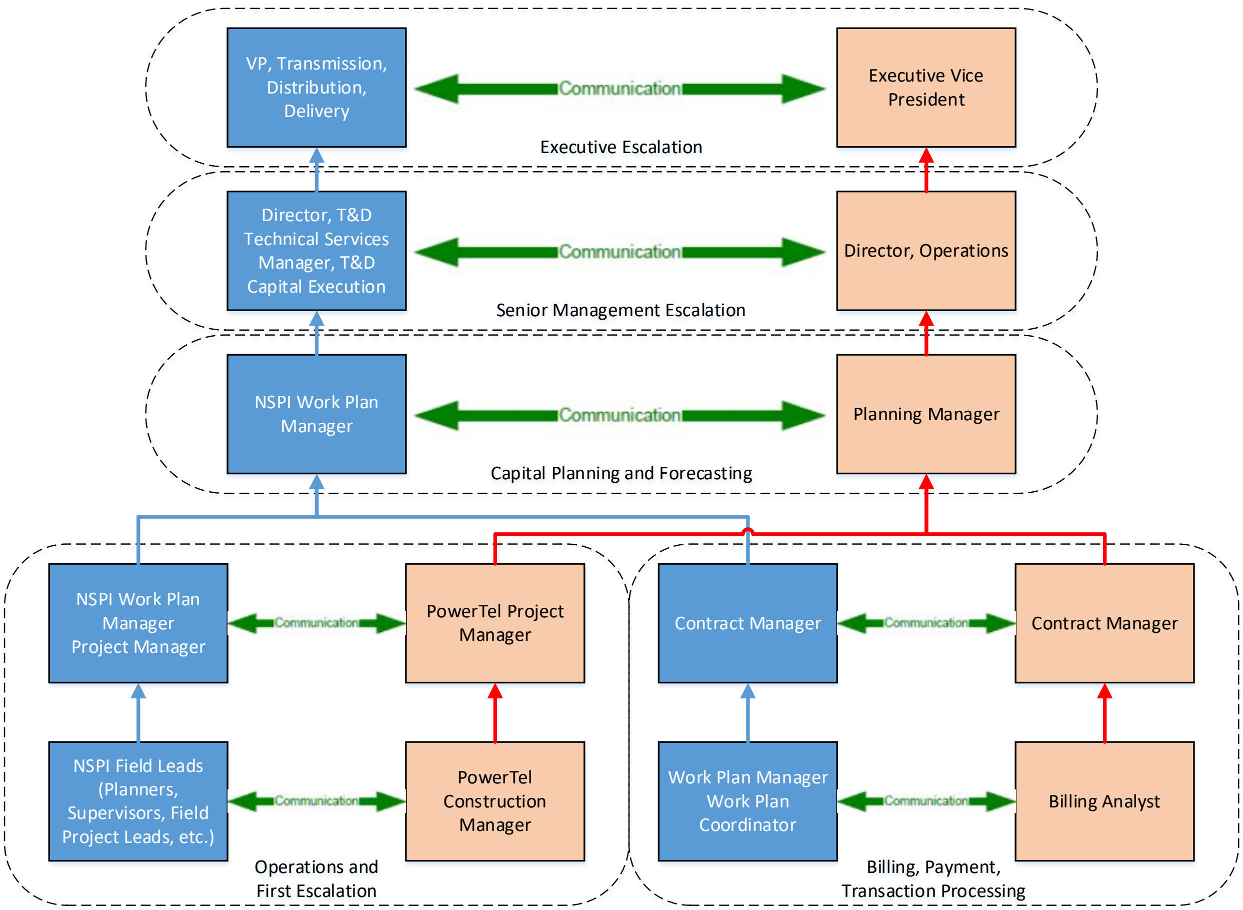
Part I: Organization Structure



Part II: Dispute Escalation Process:

The flowchart below describes the process the Parties will follow in attempting to resolve a Dispute between the Parties in connection with the Agreement. At each level of escalation, the person responsible on either side must communicate and share the information as soon as possible with his/her counterpart in order to resolve the problem first before escalating to the next level.

Dispute Escalation Flowchart:



Part III: Annual Calendar of Events

The following is an annual calendar of key deliverables under the Agreement:.

Line Services Agreement Annual Timeline:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Operating Meetings	Bi-weekly	Bi-weekly	Bi-weekly	Bi-weekly	Bi-weekly	Bi-weekly	Bi-weekly	Bi-weekly	Bi-weekly	Bi-weekly	Bi-weekly	Bi-weekly
Sr. Mgmt. Review Meetings			Quarterly			Quarterly			Quarterly			Quarterly
Exec. Review Meetings				Annual								
Work Forecast	Forecast for Q2		Forecast for Q3			Forecast for Q4				Forecast for Q1		
Gov. Model Review	Annual											
Contractor Safety Program		Annual										
CU Library Review						Annual						
Key Contacts	Annual											

Part IV: Change Order Management

All Change Orders to be pre-approved by NSPI Representative where Service Provider has prior knowledge to the change.

Change Orders are to be submitted using a Change Order form agreed upon by the Parties. Change Orders must include the following detail:

- Detailed description of the proposed change (described to allow those not familiar with the project to understand the nature of the Change)
- Cost of executing the proposed Change
- Schedule implications of the proposed Change
- Scope implications of the proposed Change

Part V: Compatible Unit Management

Any changes to CU Library must be agreed to by the Parties and will be managed as follows:

[redacted]

[redacted]

Part VI: Work Order Process

The following outlines the process for NSPI's issuance of a Work Order to the Service Provider under the Agreement.

[redacted]

[redacted]

THIS THIRD AMENDING AGREEMENT effective as of the 1st day of September2024, and signed on the day of March, 2025 (the "**Effective Date**")

BETWEEN:

NOVA SCOTIA POWER INCORPORATED, a body corporate

("**NSPI**")

-and-

CONNECT ATLANTIC UTILITY SERVICES CORPORATION, a body corporate

(the "**Service Provider**")

WHEREAS:

A. Power Tel Utilities Contractors Limited ("**Power Tel**") and NSPI entered into an Agreement made effective as of the 1st day of October, 2019 (the "**Original Agreement**");

B. Power Tel, with NSPI's permission, assigned its rights and obligations under the Original Agreement to Cormorant Atlantic Utility Services Limited ("**Cormorant**") by way of an Assignment Agreement (the "**Assignment Agreement**") effective as of November 25, 2019;

C. The Service Provider and NSPI entered into a Second Amending Agreement made effective the 12th day of April, 2023;

D. The Original Agreement, the Assignment Agreement and the Second Amending Agreement are referred to herein as the "**Agreement**";

E. The Agreement expires on the 30th day of November, 2026; and

F. The Service Provider and NSPI have mutually agreed to extend and amend the term of the Agreement.

NOW THEREFORE in consideration of the premises and the mutual covenants and obligations herein and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

1. The Agreement is amended by deleting section 5.2 of the Agreement and replacing it with the following:

   NSPI agrees to pay all undisputed amounts set forth on a correct invoice net thirty-five (35) days from its receipt. An early payment discount of two percent (2%) shall be applied to invoices that are paid on a net ten (10) Business Day basis. Undisputed overdue invoices (or the overdue and undisputed portion thereof) shall accrue interest at a rate of 2% per month until paid by NSPI.

Disputed invoices shall be identified to the Service Provider by NSPI within ten (10) Business Days from receiving the invoice by following the Dispute Process in Appendix A-7. If NSPI pays an invoice in full, but also disputes a portion of that invoice, the Service Provider will credit NSPI the net disputed amounts that are resolved in NSPI's favor as a result of following the Dispute Process defined in Appendix A-7.

With each billing, the Service Provider will provide an invoice summary that indicates the status of all invoices paid and unpaid, highlighting those that are unpaid and have exceeded (10) Business Days from time of invoice. **Invoices over 10 days will be highlighted in yellow. Invoices over 35 days will be highlighted in orange. Invoices over 60 days will be highlighted in red.**

NSPI will not be eligible to take the 2% discount on any invoices paid within 10 Business Days if there are any undisputed invoice amounts outstanding greater than 90-days. The Parties agree that they will hold a quarterly meeting to resolve any outstanding invoice disputes. Any invoice disputes that cannot be resolved in the quarterly meeting will be resolved by the Dispute Resolution process in this Agreement.

2. The Agreement is amended by deleting Section 1.1(c) of the Agreement and replacing it with the following:

   "1.1(c) "**Business Day"** means a day other than a Saturday, Sunday, or a federal, provincial, or civic holiday within the Province of Nova Scotia. The following dates will be considered the holidays. New Year's Day, Heritage Day, Good Friday, Victoria Day, Canada Day, Natal Day, Labour Day, National Truth and Reconciliation Day, Thanksgiving, Christmas and Boxing Day."

3. The Agreement is further amended, as of the Effective Date of this Third Amending Agreement, by deleting section 2.1 of the Agreement and replacing it with:

   "2.1 The term of this Agreement ("Term") is from the Effective Date to November 30, 2027."

4. The Agreement is further amended, as of the Effective Date of this Third Amending Agreement, by deleting section Table 3 of Schedule 'A' of the Agreement and replacing it with:

Work Type	**Contract Year 1** (Oct 1, 2019 to Sept 30, 2020	**Contract Year 2** (Oct 1, 2020 to Sept 30, 2021)	**Contract Year 3** (Oct 1, 2021 to Sept 30, 2022)	**Contract Year 4** (Oct 1, 2022 to Nov 30, 2023)	**Contract Year 5** (Dec 1, 2023 to Nov 30, 2024)	**Contract Year 6** (Dec 1, 2024 to Nov 30, 2025)	**Contract Year 7** (Dec 1, 2025 to Nov 30, 2026)	**Contract Year 8** (Dec 1, 2026 to Nov 30, 2027)
Planned Work < 200 CU Hours	[redacted]							
Planned Work ≥								

200 CU Hours								

5. The Agreement is further amended, as of the Effective Date of this Third Amending Agreement, by deleting section Table 4 of Schedule 'A' of the Agreement and replacing it with:

Work Type	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**	**Contract Year 4**	**Contract Year 5**	**Contract Year 6**	**Contract Year 7**	**Contract Year 8**
	(Oct 1, 2019 to Sept 30, 2020	**(Oct 1, 2020 to Sept 30, 2021)**	**(Oct 1, 2021 to Sept 30, 2022)**	**(Oct 1, 2022 to Nov 30, 2023)**	**(Dec 1, 2023 to Nov 30, 2024)**	**(Dec 1, 2024 to Nov 30, 2025)**	**(Dec 1, 2025 to Nov 30, 2026)**	**(Dec 1, 2026 to Nov 30, 2027)**
Planned Work < 200 CU Hours	[redacted]							
Planned Work ≥ 200 CU Hours								

6. The Agreement is further amended, as of the Effective Date of this Third Amending Agreement, by deleting section Table 5 of Schedule 'A' of the Agreement and replacing it with:

Work Type	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**	**Contract Year 4**	**Contract Year 5**	**Contract Year 6**	**Contract Year 7**	**Contract Year 8**
	(Oct 1, 2019 to Sept 30, 2020	**(Oct 1, 2020 to Sept 30, 2021)**	**(Oct 1, 2021 to Sept 30, 2022)**	**(Oct 1, 2022 to Nov 30, 2023)**	**(Dec 1, 2023 to Nov 30, 2024)**	**(Dec 1, 2024 to Nov 30, 2025)**	**(Dec 1, 2025 to Nov 30, 2026)**	**(Dec 1, 2026 to Nov 30, 2027)**
Transmission Reactive (Reg)	[redacted]							
Transmission Reactive (1.5x)								
Transmission Reactive (2x)								
Distribution Service Work (Reg)								
Distribution Service Work (1.5x)								
Distribution Service Work (2x)								

7. The Agreement is further amended, as of the Effective Date of this Third Amending Agreement by deleting line 2 of Table 6 found in Schedule "A": Storm Work and replacing it with an increase in the Distribution Storm Work (Hourly Rates) for a 2-person distribution storm crew in the line services agreement to [redacted]/hour on August 1, 2024. If the prevailing rate for a 2-person distribution crew paid to other storm contractors within the Maritime Provinces is greater than the CAUS storm contract rate, the CAUS storm contract rate will be increases to the greater rate.

8. The Agreement is further amended, as of the Effective Date of this Third Amending Agreement, by deleting section Table 5 of Schedule 'A' of the Agreement and replacing it with:

Type of Storm Work	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**	**Contract Year 4**	**Contract Year 5**	**Contract Year 5**	**Contract Year 6**	**Contract Year 7**	**Contract Year 8**
	(Oct 1, 2019 to Sept 30, 2020	**(Oct 1, 2020 to Sept 30, 2021)**	**(Oct 1, 2021 to Sept 30, 2022)**	**(Oct 1, 2022 to Nov 30, 2023)**	**(Dec 1, 2023 to July 30, 2024)**	**(Aug 1, 2023 to Nov 30, 2024)**	**(Dec 1, 2024 to Nov 30, 2025)**	**(Dec 1, 2025 to Nov 30, 2026)**	**(Dec 1, 2026 to Nov 30, 2027)**
Storm Work Hourly Rate – 5 person crew, 2 pickup trucks, 2 off-road vehicles	[redacted]								
Distribution Storm Work (Hourly Rates) – 2 person storm crew, Bucket Truck or 2 pole person crew, Digger Truck									
Storm Supervisor – Storm Supervisor of Crew Lead with pickup truck									

9. The Agreement is further amended, as of the Effective Date of this Third Amending Agreement, by deleting section 3.4 (c) of Schedule "A" and replacing it with:

    3.4 (c) Meals/Lodging/Fuel/Tolls Meals, lodging, fuel and toll expenses incurred while traveling to perform Services will be reimbursed by NSPI in accordance with this section and where itemized receipts are provided. Expenses must be outlined in the invoice for Services and copies of receipts must be provided with the invoice for Services. Detailed receipts are required – credit card statements are not an acceptable form of documentation. Generally lodging will be based on 2 persons per room unless extenuating circumstance prevails. All expenses will be billed at a cost without markup. Fuel receipts showing volume, location of purchase, date and time are to be submitted with invoice. Service Provider agrees to have vehicles fully fueled prior to mobilization at its expense.

i) As per the NSPI Per Diem Program, meals shall be calculated on a base daily rate of [redacted] per individual for all three meals (breakfast, lunch and dinner). NSPI reserves the right to determine whether to apply the Per Diem Program, instead of the receipt process noted above, and shall advise the Service Provider of such per occurrence of Service requirement.

ii) NSPI will try on a “best effort” to supply meals when possible if at a staging area or at the accommodations that are provided by NSPI.

10. The Agreement is further amended by adding to Schedule “A” of the Agreement, Appendix A-6 the Statement of Work Form. Acknowledging that during work offered by the provider, CAUS and NSPI agree to use the attached Statement of Work form to describe work that is outside the normal course of Distribution and Transmission work. This form shall be used for such services and will be documented and follow the approval process by NSPI for any services outside the normal course of services.

11. The Agreement is further amended by deleting Schedule F of the Agreement and replacing it with Appendix A-7 Dispute Resolution process agreed upon to follow by both parties.

12. Except as specifically amended herein, the Agreement continues in full force and effect, unamended.

13. This Third Amending Agreement shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein.

14. All capitalized terms utilized in this Third Amending Agreement shall, unless otherwise defined herein, have the meanings ascribed thereto in the Agreement.

15. This Third Amending Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and assigns.

16. This Third Amending Agreement may be executed and delivered by the parties in counterparts, each of which when so executed and delivered shall be deemed to be an original and when taken together shall be deemed to be one and the same instrument. The electronic delivery, including, without limitation, by email or facsimile transmission, of any signed original of this Third Amending Agreement shall be the same as the delivery of an original.

Executed as of the day and year written below.

NOVA SCOTIA POWER INCORPORATED

Signed by:

per: Matt Drover

FFAE326F849D4CF...

Name: Matt Drover

Title: Sr. Director, Energy Delivery

Date: 05-Aug-25 | 10:33 AM ADT

CONNECT ATLANTIC UTILITY SERVICES CORPORATION

per:

Name: John MacKinnon

Title: President

Date: July 23, 2025

"APPENDIX A-6"

STATEMENT OF WORK

This SOW shall be governed by the terms of the Master Agreement between Nova Scotia Power Inc. and «Service_Provider's_Name_5» effective as of «Effective_Date_2».

Authorization Number: ____________________________ Date: _______________________

Project: ____

1. **Description of the Services:**

   ____
   ____
   ____
   ____
   ____
   ____
   ____

2. **Contract Time:**

   Services to commence on ______________________ and completed on or before: ___________________.

3. **Services to be performed at (Location/Address):** ___________________________________

4. **Contract Price:**

   (a) Time and Materials Basis:

RESOURCE	RATE	Total

Estimated Total Contract price: $ _______________ plus HST.

OR

(b) Fixed Price: Lump sum: $_____________ plus HST

5. **Other:**

NOVA SCOTIA POWER INCORPORATED

Issued by:____

Name:__________________

Title: ___________________

«SERVICE_PROVIDER'S_NAME_6»

This SOW has been accepted on __________, 20__ by:

Authorized Signature of Service Provider: ____

Name:_____________________

Title: ______________________

"APPENDIX A-7"

DISPUTE PROCESS

Dispute Process

1. Within 10 days of receipt of Invoice, NSPI completes Invoice Dispute Form found on the next page.
2. Required Details included
    a. Date
    b. Total Amount Disputed
    c. Invoice No:
    d. Description of work in dispute
    e. Reason for Dispute
    f. Name of person disputing
    g. Date Disputed and sent to CAUS
3. CAUS within 5 business days of receiving Dispute form needs to respond either
    a. In agreement of the dispute
    b. Disagree with the dispute and provide reasoning
4. NSPI within 5 Business days of receiving Dispute form needs to respond either
    a. In agreement of the dispute
    b. Disagree with the dispute and provide reasoning
5. CAUS within 5 business days of receiving Dispute form needs to respond either
    a. In agreement of the dispute
    b. Log the dispute for escalation between the CAUS Director of Operations and the NSPI Sr Manager TX/DX
6. CAUS & NSPI Sr Manager Tx/DX meet monthly to resolve all outstanding disputed invoices

Distribution List for Distribution Disputes

- NSPI
    - Workplan coordinator
    - Workplan Manager
    - DX Project Engineer
    - Manager Contract Oversight
- CAUS
    - ap@causltd.com
    - Dx Project Manager
    - Dx Project Development Engineer
    - Billing Coordinators
    - Work Plan Coordinator
    - Director of Operations

Distribution List for Transmission Disputes

- NSPI
    - Workplan Manager
    - Sr Engineer Tx Capital

- Work Plan Coordinator
- Sr Manager Contract Mgmt Ops

- CAUS
  - ap@causltd.com
  - Tx Project Manager
  - Dx Project Development Engineer
  - Billing Coordinators
  - Work Plan Coordinator
  - Director of Operation

CONNECT ATLANTIC UTILITY SERVICES

Nova Scotia POWER An Emera Company

Invoice Dispute Form

Date:		Total Amount of Dispute:	$0.00
Project Name:		Invoice No:	
Work Order No.:		Dispute No.:	

Structure #/Civic #	Install Remove Transfer	Task Description (CU)		Unit	Quantity	Office Use Only	
		Category	Task			CU Hours	Total
							$ -
							$ -
							$ -
							$ -
							$ -

Structure #/Civic #	Task Description (Non CU)	Unit	Quantity	$ Amt	Total
					$ -
					$ -
					$ -
					$ -
					$ -

Other (Includes subcontracting, travel, hourly work)	Total

NSPI Reason for Dispute

Name:		Date:	

CAUS Response

Name:		Date:	

NSPI Response

Name:		Date:	

CAUS Response

Name:		Date:	

Dispute Agreement

CAUS Name (Print):	Signature:	Date:
NSPI Name (Print):	Signature:	Date:

Revised Invoice Required

Required		New Inv No:		Date Revised:	

Request IR-6:

(a) Please explain with specificity the types of materials included in materials costs for D055. In your response, for each type of material, please explain the basis for the cost (e.g., contract pricing, market pricing, most recent delivered item pricing, average bin pricing, etc.).

(b) Please provide the budget and actual materials costs for each type of materials in D055 for the years 2021-2025.

(c) Please provide the budget and actual materials costs for D055 for 2025 with all available detail in a workbook in native format.

(d) For each material whose cost exceeded budget by at least 25%:

(i) Please explain the procurement practices used to obtain the material. In explaining those practices, please explain whether the materials prices were procured through a competitively-bid contract and whether materials prices increased due to an increase in procurement volumes. Please support your response with quantitative data to the extent feasible.

(ii) For any types of materials whose prices increased due to an increase in procurement volumes, please explain how the baseline volume was established (e.g., by NS Power in the course of its procurement process) and whether NS Power has made any changes to its procurement process as a result of the cost increase. As an example of a type of price increase due to an increase in procurement volumes, if Bin Work exceeded expectations, NS Power might procure replacement materials outside of a normal contract at higher-than-typical prices.

(iii) For materials costs that are allocated as a percentage of labour, please provide actual percentage allocation factor for each of the five most recent years and the method for deriving that factor.

Response IR-6:

(a) Materials costs for D055 include all distribution system components required to replace deteriorated assets on a planned basis, including items such as wood poles, crossarms, insulators, overhead conductors, pole top transformers, voltage regulators, stepdown transformers, and metering tanks. These materials, including commodity-based materials, are purchased under contract pricing, which has the potential to fluctuate only within the confines of the agreement.

(b) The detail as requested is not available. To be helpful, the table below breaks down the materials by type. For 2025, Poles & Transformers are also embedded in the Allocation category. This is due to the financial detail tracking during the manual recovery from the cyber incident. This is further explained in part (c) below.

D055 Material Types	2021 ($)	2022($)	2023($)	2024 ($)	2025($)*
Allocation	616,190	41,169	399,727	377,646	2,681,698
Other Direct Charged Materials	256,095	299,490	365,110	467,467	665,664
Poles & Transformers	1,085,196	404,658	846,128	1,091,929	755,358
Total	**1,957,482**	**745,317**	**1,610,965**	**1,937,042**	**4,102,720**

*NS Power has estimated the allocation of the material costs among the three categories, due to the lack of detailed descriptions for material costs. Please refer to part (c) below.

(c) The detail as requested is not available. To be helpful, the table below provides the budget and actuals for D055 for 2025.

Cost Category	2025 Budget ($)	2025 Actuals ($)
Materials	1,507,467	4,102,720

Prior to the cyber incident, inventory was issued to a work order number which was directly linked to the project number and, as materials were consumed, the inventory was automatically charged to the project with the corresponding detailed information about the materials documented in the Project within NS Power's capital accounting software, PowerPlan. Similarly, for materials purchased through invoices, approved purchase orders were set up to ensure the materials purchased were recorded to the project with detailed descriptions of the items purchased. Once materials were received, the cost of the materials on the invoice would be recorded to the project within PowerPlan with the corresponding details of the materials purchased also included in the Project. During the cyber incident, invoices were approved and paid through a temporary system. The financial tracking of invoices for materials and inventory purchases was a manual effort and, due to the volume of transactions, NS Power included only total invoice value or inventory issuances per month by cost element by project for 2025, without the corresponding detailed descriptions of each material item charged to each project. Furthermore, NS Power did not have access to PowerPlan for the period between April 2025 and September 2025, and when the system was reinstated, the data loaded into the PowerPlan system did not have detailed descriptions. While Business Continuity Processes ensured all costs were accounted for accurately and that the overall accuracy and completeness of NS Power's financial statements were maintained, detailed descriptions for each material item included in the project is not readily available. As a result, the details that were available in previous years are not available for 2025.

(d)

(i-iii) Although NS Power is not able to provide the analysis as requested, the following examples are provided to be helpful. Wood poles are subject to a Joint Procurement contract with both NS Power and NB Power, to leverage the combined spend of both utilities to achieve better pricing. This is a multi-year contract where pricing is set in annually, and although is subject to variance on a year-over-year basis, is capped at a maximum by pole species. Pole Top transformers are also subject to a

Joint Procurement contract with both NS Power and NB Power. As several of the components are commodity based, pricing is adjusted up or down based upon the metal market indexes on a quarterly basis.

Request IR-7:

Please explain how the Project Delivery Model (PDM) applies to D055.

(a) Please provide a list and definition of each risk and each uncertainty that NS Power believes applies to D055 activities.

(b) Please explain what planning functions (cost estimates, basis of estimate, risk register) are completed for D055. If these planning functions are not completed, please explain how NS Power manages cost and delivery risk for D055.

Response IR-7:

The majority of the work completed under D055 is work that is executed on a daily basis by both internal staff and external contractors across NS Power's Distribution system. As a result, the associated risks, scheduling processes, and job tasks are all extremely well understood and part of each individual's daily routine. While all of this work still follows all the same capital management requirements around cost allocation and cost minimization, due to the repetitive nature of this work, the PDM documentation that provides value to more complex capital projects (ie, Risk Register, Basis of Schedule, etc) is not considered a value add to this type of work, therefore it is not an expectation of the individuals managing and completing this work. For the smaller volume of large scale work completed within D055 (i.e. for discrete projects), cost estimate sheets are completed to aid in resource management and forecasting activities.

(a) The D055 routine faces several inherent risks impacting cost and delivery:

- Volume and timing uncertainty exists because deteriorated equipment identified through inspections is inherently variable and difficult to predict.

- Asset condition variability creates risk as equipment may deteriorate faster than anticipated (including as a result of external forces outside the utility's control), requiring proactive replacement as a safer and more efficient approach, rather than waiting for a failure.

- The scope of each work order can vary significantly, leading to corresponding differences in associated costs. Additionally, work initially considered as simple replacements may reveal additional deteriorated equipment and associated work once the process begins. For example a pole top transformer changeout may result in a pole change out due to deteriorating asset condition discovered once the work is fully scoped.

- Resource constraints arise from significant population growth driving new customer connections and a corresponding increase in construction activity placing additional pressure on available resources. This results in resources being allocated to support these activities, reducing the capacity to complete reliability work.

- External dependencies such as access challenges, material and contractor cost, and availability all contribute to execution risk and cost variability.

(b) As detailed in the preamble above, cost estimates are completed for certain, larger scale, work under D055, but due to the repetitive nature of most of the work completed under D055, a basis of estimate or risk register document are not considered to be value add activities and therefore are not required. NS Power manages cost and delivery risk for D055 through the same process as all capital projects. The costs are tracked through quarterly forecasting throughout the year, spend to date is reviewed on a monthly basis to monitor progress and the determination of what work is completed follows the same asset management mechanism as all capital work across NS Power.

Request IR-8:

Please provide the individual project estimates referenced in NSEB RIR-27(b), M12319.

Response IR-8:

Please refer to Attachment 1.

REDACTED (CONFIDENTIAL INFORMATION REMOVED)

Project	2025 ACE Plan Forecast ($)	Total Project Estimate	2025 Spend
2024 Manhole Cover Replacement	$ 5,000	$ 213,058	$ 191,412
2024 Padmount Switch Replacement	$ 10,000	$ 172,053	$ 13,281
20H-303 Essex Dr Framing Replace	$ 12,822	$ 28,212	$ 54,787
48H-301 Sinclair St Pole Replacements	$ 50,539	$ 50,539	$ 257,982
665H-311 Malay Falls Rd Rebuild	$ 55,428	$ 65,100	$ 1,419
82V-403 Highway 277 Pole Replace	$ 66,013	$ 66,013	$ 22,559
82V-403 Carroll's Corner Bridge	$ 76,728	$ 92,204	$ 275,212
126H-312G Murphy Rd Rebuild	$ 87,503	$ 100,281	$ 57,646
513N-301 Caribou Overloaded Stepdown	$ 108,146	$ 108,343	$ 34,659
113H-441G Colby Drive Rebuild	$ 115,684	$ 119,110	$ 1,631
581C-311 Ballantynes Cove BTR	$ 125,329	$ 130,640	$ -
2023 Manhole Equipment Replacement	$ 127,855	$ 125,984	$ (38)
584N-301 Irwin Lake Rd Upgrades	$ 137,025	$ 150,072	$ (11)
568C-311 Egypt road rebuild	$ 150,000	$ -	$ -
2024 Switching Cubicle Replacement	$ 185,970	$ -	$ -
20N-203 Church St Rebuild	$ 188,063	$ -	$ -
92W-302 Valley Crescent Rebuild	$ 189,497	$ 132,870	$ 45,040
2025 Manhole Covers Replacement	$ 194,023	$ 206,717	$ 29,949
585C-311 Antigonish Harbor Rebuild	$ 224,961	$ 333,881	$ -
16W-301H Pembroke Rd Rebuild	$ 237,980	$ 310,485	$ 192,570
26N-211 Joggins Stepdown Retirement	$ 240,434	$ 299,376	$ 341,899
11S-301 Campbell Road Water Crossing	$ 342,000	$ 344,199	$ 8,260
33N-201 Canaan Rd Conversion	$ 428,808	$ 69,179	$ 42,695

Request IR-9:

Please explain what is meant by "advancement of higher-priority condition-driven work identified during the feeder inspection program, including projects in the Glace Bay area." In your response, please clarify the following ambiguities:

(a) Were already-identified work orders advanced as a result of inspection information increasing the priority?

(b) Why are projects in the Glace Bay area called out in particular?

(c) Are there any other sources of increases in work orders for Bin Work other than the feeder inspection program?

Response IR-9:

(a) Yes. However, the $10.2 million increase in Bin Work in 2025 was driven by a combination of two factors.

First, work orders that had been previously identified through earlier inspection cycles but were originally planned for future execution were re-prioritized and advanced into 2025 based on updated condition information from the 2025 feeder inspection program and updates to circuit criticality assessments.

Second, equipment deficiencies identified for the first time during the 2025 feeder inspection program that required near-term replacement but had not yet been scoped or scheduled in prior budgets.

NS Power's feeder inspection program operates on a two-year cycle, and when feeders are re-inspected, the condition of previously identified deficiencies is re-assessed, and additional net new deficiencies are identified. To the extent equipment previously categorized as requiring replacement in the medium-term has deteriorated faster than anticipated, it may be re-categorized as requiring replacement in the same year, thereby advancing the work order into the current year's Bin Work program. Should equipment previously not identified as needing replacement be flagged as now needing replacement in the short term, it will be advanced into the current year’s Bin Work program.

(b) Projects in the Glace Bay area were specifically highlighted due to the concentration and materiality of work identified in that geographic region and recent reliability challenges. The 2025 feeder inspection program identified a significant volume of deteriorated equipment requiring near-term replacement in feeders serving the Glace Bay area, and this volume represented approximately $4 million of the overall $10.2 million Bin Work increase, making it notable enough to warrant specific mention in the ATO application for transparency.

(c) While the feeder inspection program is the primary driver of Bin Work, as described in the ATO filing, Bin Work can be identified through either inspection or customer notification.

Request IR-10:

Please explain what is meant by "deficiencies driven by regional operations and regional engineering" (e.g., What is a "deficiency" in this context?)

Response IR-10:

Please refer to NSEB IR-5.

Request IR-11:

Please provide a comparison of the budget for specific D055 projects in the 2025 ACE Plan in Figure 45 on pages 70-71 (e.g., beginning with 568C-333-Egypt road rebuild) to actual expenditures as included in the ATO.

(a) For each project that was delayed or cancelled, please provide:

- **(i) The original scheduled start and completion dates, and the current scheduled start and completion dates, if applicable.**
- **(ii) The priority (e.g., condition) of the project as identified at the time the 2025 ACE Plan was submitted, its priority at the time that NS Power delayed or cancelled it, and its current priority.**
- **(iii) An explanation of any increase in actual or forecast (budget) cost, if greater than 3.0%.**
- **(iv) Any update on actual project cost not included in the ATO request.**

(b) For each project that was initiated on schedule, please provide:

- **(i) The start, scheduled completion, and actual completion dates.**
- **(ii) The priority (e.g., condition) of the project as identified at the time the 2025 ACE Plan was submitted.**
- **(iii) An explanation of any increase in actual or forecast (budget) cost, if greater than 3.0%.**

Response IR-11:

Please refer to Attachment 1.

(a)

(i) Please refer to Attachment 1.

(ii) Projects in Figure 45 of the 2025 ACE Plan were identified as priorities based on condition assessments conducted in 2024. During 2025, the feeder inspection program identified equipment with higher urgency (particularly in the Glace Bay area), requiring capital reallocation. Projects were deferred or cancelled based on comparative prioritization - work with higher risk took precedence. Deferred projects will be re-evaluated in future capital planning cycles based on updated condition assessments. At the time of project initiation, each project is assigned a priority based on condition and criticality. Due to the cyber incident, NS Power has lost the historical records of the priority assignments for these past projects.

(iii) NS Power acknowledges that multiple projects have experienced cost estimate increases exceeding 3%. These increases reflect the combined impact of general inflation, market conditions, and the time elapsed since the original ACE Plan estimates were prepared in 2024. The increases are consistent with broader industry trends and similar cost escalation observed across NS Power's capital portfolio. Specific project notes are included in Attachment 1.

(iv) Please refer to Attachment 1.

(b)

(i) Please refer to Attachment 1.

(ii) Please refer to part (a)(ii).

(iii) Please refer to part (a)(ii).

REDACTED (CONFIDENTIAL INFORMATION REMOVED)

Project	2025 ACE	2025 Spend	Variance	Variance %	Original Start Date	Original Completion Date	Current Start Date	Current Completion Date	Primary Cost Increase
Field Driven Work	$ 3,700,926	$ 5,419,607	$ 1,718,681	46%	Q1 2025	Q4 2025	Q1 2025	Q4 2025	An increase in the execution of work as there was greater crew availability.
Bin Work	$ 1,839,350	$ 12,052,623	$ 10,213,273	555%	Q1 2025	Q4 2025	Q1 2025	Q4 2025	Significant increase in the execution of issues identified through the feeder inspection process.
Streetlights	$ 1,720,778	$ 2,646,542	$ 925,764	54%	Q1 2025	Q4 2025	Q1 2025	Q4 2025	An increase in the execution of work as there was greater crew availability.
33N-201 Canaan Rd Conversion	$ 428,808	$ 42,695	$ (386,113)	-90%	Q3 2025	Q4 2025	Q2 2026	Q3 2026	N/A
11S-301 Campbell Road Water Crossing	$ 342,000	$ 8,260	$ (333,740)	-98%	Q2 2025	Q2 2025	Q4 2026	Q4 2026	N/A
26N-211 Joggins Stepdown Retirement	$ 240,434	$ 341,899	$ 101,465	42%	Q3 2025	Q4 2025	Q4 2025	Q1 2026	Increased material cost, increase in labour required.
16W-301H Pembroke Rd Rebuild	$ 237,980	$ 192,570	$ (45,410)	-19%	Q4 2025	Q4 2025	Q4 2025	Q4 2025	N/A
585C-311 Antigonish Harbor Rebuild	$ 224,961	$ -	$ (224,961)	-100%	Q4 2025	Q4 2025	Q2 2026	Q1 2027	N/A
2025 Manhole Covers Replacement	$ 194,023	$ 29,949	$ (164,074)	-85%	Q1 2025	Q4 2025	Q1 2025	Q4 2026	N/A
92W-302 Valley Crescent Rebuild	$ 189,497	$ 45,040	$ (144,457)	-76%	Q2 2025	Q3 2025	Q2 2025	Q1 2026	N/A
20N-203 Church St Rebuild	$ 188,063	$ -	$ (188,063)	-100%	Q4 2025	Q4 2025	2027	2027	N/A
2024 Switching Cubicle Replacement	$ 185,970	$ -	$ (185,970)	-100%	Q2 2024	Q2 2025	Q2 2024	Q2 2025	N/A
568C-311 Egypt road rebuild	$ 150,000	$ -	$ (150,000)	-100%	Q4 2025	Q4 2025	2027	2027	N/A
584N-301 Irwin Lake Rd Upgrades	$ 137,025	$ (11)	$ (137,036)	-100%	Q4 2025	Q4 2025	2027	2027	N/A
2023 Manhole Equipment Replacement	$ 127,855	$ (38)	$ (127,893)	-100%	Q2 2023	Q2 2024	Q2 2024	Q2 2027	N/A
581C-311 Ballantynes Cove BTR	$ 125,329	$ -	$ (125,329)	-100%	Q4 2025	Q4 2025	2027	2027	N/A
113H-441G Colby Drive Rebuild	$ 115,684	$ 1,631	$ (114,053)	-99%	Q4 2025	Q4 2025	Q4 2025	Q3 2026	N/A
513N-301 Caribou Overloaded Stepdown	$ 108,146	$ 34,659	$ (73,487)	-68%	Q2 2025	Q2 2025	Q2 2025	Q2 2025	N/A
126H-312G Murphy Rd Rebuild	$ 87,503	$ 57,646	$ (29,857)	-34%	Q3 2025	Q4 2025	Q3 2025	Q2 2026	N/A
82V-403 Carroll's Corner Bridge	$ 76,728	$ 275,212	$ 198,484	259%	Q1 2025	Q2 2025	Q1 2025	Q2 2025	Took on additonal scope of work to bring section of line to roadside.
82V-403 Highway 277 Pole Replace	$ 66,013	$ 22,559	$ (43,454)	-66%	Q2 2025	Q2 2025	2027	2027	N/A
665H-311 Malay Falls Rd Rebuild	$ 55,428	$ 1,419	$ (54,009)	-97%	Q4 2025	Q4 2025	2027	2027	N/A
48H-301 Sinclair St Pole Replacements	$ 50,539	$ 257,982	$ 207,443	410%	Q2 2025	Q2 2025	Q2 2025	Q2 2025	Originally forecasted in 2024, execution pushed into 2025.
20H-303 Essex Dr Framing Replace	$ 12,822	$ 54,787	$ 41,965	327%	Q4 2024	Q1 2025	Q4 2024	Q1 2025	Originally forecasted in 2024, execution pushed into 2025.
2024 Padmount Switch Replacement	$ 10,000	$ 13,281	$ 3,281	33%	Q1 2025	Q4 2025	Q1 2025	Q4 2025	Slight increase in material cost.
2024 Manhole Cover Replacement	$ 5,000	$ 191,412	$ 186,412	3728%	Q2 2024	Q1 2025	Q2 2024	Q4 2025	Originally forecasted in 2024, execution pushed into 2025.
663V-211 - School St 25kV Conversio	$ -	$ 191,907	$ 191,907		Q3 2024	Q4 2024	Q4 2024	Q1 2025	Originally forecasted in 2024, execution pushed into 2025.
100C-421 and 422 Targeted Asset Rep	$ -	$ -	$ -		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	N/A
101H-423 Bedford Exit 4 Rebuild	$ -	$ (6)	$ (6)		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	N/A
539W-311 Hemlock Dr Build to Roadsi	$ -	$ 23,713	$ 23,713		Q2 2024	Q3 2024	Q4 2024	Q2 2025	Increase due to final cost received as part of project wind up activities
16W-301G-Highway One Rebuild	$ -	$ 22,903	$ 22,903		Q1 2025	Q1 2025	Q1 2025	Q1 2025	Unforseen and unbudgeted work at the cost of filing
2023 Manhole Cover Replacements	$ -	$ 14,157	$ 14,157		BEFORE 2025	BEFORE 2025	BEFORE 2025	Q1 2025	Increase due to final cost received as part of project wind up activities
25W-301 Upper Clyde Rd Relocation	$ -	$ 13,585	$ 13,585		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	Increase due to final cost received as part of project wind up activities
58C-405 Rebuild Margaree	$ -	$ 13,165	$ 13,165		Q2 2025	Q3 2025	2027	2027	Advanced work - P&A
D-102W-312 Tour Des Buttes Way Rebu	$ -	$ 10,940	$ 10,940		Q2 2025	Q3 2025	Q3 2026	Q4 2026	Advanced work - P&A
30N-411 Maccan River Line Removal	$ -	$ 1,280	$ 1,280		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	Increase due to final cost received as part of project wind up activities
92H-331 Micou Island Rebuild	$ -	$ 786	$ 786		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	Increase due to final cost received as part of project wind up activities
67C-411GBA-Colindale BTR	$ -	$ 665	$ 665		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	Increase due to final cost received as part of project wind up activities
48W-204 Liverpool 4kV Conversion	$ -	$ 539	$ 539		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	Increase due to final cost received as part of project wind up activities
Intellirupter Revitalization	$ -	$ 434	$ 434		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	Increase due to final cost received as part of project wind up activities
Distribution Replacement Engineerin	$ -	$ (0)	$ (0)		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	N/A
D-15S-301 Target Replacement	$ -	$ (1)	$ (1)		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	N/A
85S-401-Cape North Build to Aliant	$ -	$ (2)	$ (2)		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	N/A
2023 127H Feeder Exit Cable Replace	$ -	$ (13)	$ (13)		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	N/A
2020 Padmount Switch Replacement	$ -	$ (29)	$ (29)		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	N/A
13N-211 Outram & HaveLock Rebuild	$ -	$ (56)	$ (56)		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	N/A
85S-401 Ingonish Centre BTR	$ -	$ (108)	$ (108)		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	N/A
Black River Rd Build to Roadside	$ -	$ (239)	$ (239)		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	N/A
89W-303 Station Rd Line Extension	$ -	$ (363)	$ (363)		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	N/A
4N-311 Wallace River Bridge Rebuild	$ -	$ (2,295)	$ (2,295)		BEFORE 2025	BEFORE 2025	BEFORE 2025	BEFORE 2025	N/A

Request IR-12:

Please explain how the Street Light/Service installation and removal condition data were updated, and provide supporting data.

Response IR-12:

Street Light installations and removals are primarily driven by customer identification and through the feeder inspection program. Street Light work identified via customer calls addresses broken lights and is prioritized for replacement within 60 days. The D055 forecast is based on the previous year's volume. Street Light work volumes were updated in 2025 to reflect the emerging work volume trends observed earlier in the year. The following table shows the increase in spend for Street Light work in 2025 versus 2024. Due to constraints stemming from the impacts of the cyber incident, specific Street Light volume data is not available.

Quarter	**2024 ($)**	**2025 ($)**
Q1	368,157	738,859
Q2	885,232	455,911
Q3	538,671	686,917
Q4	531,422	763,805
Total	2,323,482	2,645,492