M12914

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: **THE PUBLIC UTILITIES ACT** and the **MARITIME LINK ACT** and the **MARITIME LINK COST RECOVERY PROCESS REGULATIONS**

\- and -

IN THE MATTER OF: **AN APPLICATION** by **NSP MARITIME LINK INCORPORATED** for approval of its 2027/2028 revenue requirement and cost assessment

INFORMATION REQUESTS

To: **Shellie Woolham**
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From: **Board Staff**
Nova Scotia Energy Board

Responses Due: **Thursday, August 20, 2026**

Copies: 1 electronic copy (PDF searchable)

Contact Person: **Libby McNamara, CPA, CA**
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Issued at Halifax, Nova Scotia, this 28th day of July, 2026.

Crystal Henwood, Clerk of the Board

Request IR-1:

Please set out in table format, the proposed invoice amounts to NS Power throughout 2027-2028, including separate columns for 1) the monthly assessments for the 2027 and 2028 cost assessment; 2) the semi-annual assessments for the FLG2; and 3) a total column.

Request IR-2:

Reference: Table 2: O&M Forecast, pg.7

Please update Table 2 to add two columns showing a comparison to 2025 actual costs incurred and 2026 forecast costs.

Request IR-3:

Reference: Table 2: O&M Forecast, pg.7

Please provide, on a confidential basis, a table showing the breakdown of forecast maintenance and inspection costs for 2027 and 2028 as well as approved 2026 costs and incurred 2025 costs (broken down into converters and substation operations, marine surveillance, and service agreements).

Request IR-4:

Reference: Section 2.2.4 Labour & Administrative

a) Please confirm, or clarify otherwise, that only 50% of forecast incentive payments are included in the assessment amount.
b) Please provide a table showing the breakdown of labour and administrative costs into the following categories for 2027 and 2028 assessment amounts, 2026 approved assessment amounts and the 2025 actual costs incurred: regular and overtime labour, incentive payments, legal and regulatory, consultants, and other.
c) Please provide a variance calculation showing the variance from 2026 to 2027, and one showing the variance from 2027 to 2028 assessment amounts for the categories of expense in part b).
    i. For any category that has increased more than 5% from the previous assessment amount, please provide an explanation.
    ii. What is the basis for using a 3% per year inflationary adjustment?
    iii. Why did NSPML not apply a 2% per year inflationary adjustment, reflecting the mid-point of the Bank of Canada's inflation target?
d) Is the number of FTEs projected to remain the same in 2027 and 2028 as 2026?

i. If not, please identify how many new positions are being forecasted or eliminated and provide a position description and reasoning for any new or eliminated positions.

e) How many positions are currently vacant?

f) Has NSPML included a vacancy allowance in its forecast of labour costs?

i. If not, why not?

ii. If so, what level of vacancy was projected?

Request IR-5:

Reference: Section 2.3.2 Sustaining Capital

NSPML expects to incur capital expenditures in 2027 of $0.5 million and $1.5 m in 2028 for routine capital expenditures.

a) Please provide NSPML's definition of a routine capital expenditure

b) Please list the expenditure categories falling under General, if/where specific expenditures have been identified.

c) How does NSPML forecast its routine expenditures?

Request IR-6:

Reference: Section 5.5 Routine – IGBTs

NSPML states:

> This initiative continues NSPML's ongoing process to reach a target IGBTs module spare inventory of 224 units while maintaining adequate redundancy within the operating valves. An order was made in 2024 which was delivered in Q2 2026. NSPML has not yet placed an additional order but now expects to do so in 2027 in which case delivery would be in 2028, assuming similar timelines to the current order.

a) Since NSPML hasn't reached the target inventory level, why is it waiting until 2027 to place an order?

b) What is the current IGBT inventory level?

c) When does NSPML anticipate reaching the target 224 units?

d) What was the IGBT unit cost when the order was placed in 2024?

e) What is the current IGBT unit cost?

f) Please provide a table showing the number and percent of IGBT failures experienced each previous year, including year-to-date 2026.

Request IR-7:

Reference: Section 2.5 2027 and 2028 Equity Financing Costs

Please confirm, or clarify otherwise, an in-service date of the end of Q3 2028 was used for the SCM upgrade costs in the calculation of average rate base.

Request IR-8:

Please provide Attachment 2 for NSPML's 2027 and 2028 Rate Base Continuity Schedule in excel with cells intact and protections removed.

Request IR-9:

Reference: Section 2.4.1 Annual Net Interest Costs

NSPML states:

> As previously conveyed, the original FLG relating to the Maritime Link (along with FLG2) presently limit additional borrowings by the Company to $10 million. As such, utilization of the credit facility will be limited to that amount while the Company works to appropriately expand its borrowing capabilities to better manage its mid- to long-term sustaining capital requirements.

a) If NSPML is unable to alter the $10 million condition in the FLG agreements, how does it plan to finance its sustaining capital?

b) Were sustaining capital requirements above $10 million not expected when NSPML entered into the FLG agreements?

Request IR-10:

Reference: Section 4.0 Marine Survey Cost Recovery

NSPML states two key considerations in the decision about how to finance the marine survey are the following:

- Based on NSPML's understanding of the traditional application of WACC, smoothing is likely to create adverse WACC impacts for customers. Prepayment requires customers to effectively fund such prepaid amounts through NS Power's FAM, thereby paying NS Power's higher WACC to effectively borrow from the FAM while receiving NSPML's lower WACC for the prepaid amount, resulting in a net cost increase to customers
- At the end stage of financing over a multi-year period, deferring recovery requires NSPML to borrow funds, likely at higher rates than NS Power and, as such, increasing costs ultimately recovered from customers.

a) These points appear to be somewhat contradictory. If point one is correct, doesn't that imply that customers would have beneficial WACC impacts if NSPML were to pay for the Marine Survey costs and customers repay the amount over later years? Because customers would be saving the higher NS Power WACC on the amount when paid for by NSPML, and paying the lower NSPML WACC on the balance until paid out. Point one appears to assume the amount is funded at WACC and point two appears to assume the amount is funded at the entity's short term borrowing cost. Unless the NS Power FAM balance is reduced to nil, it would appear customers are better off repaying the amount after the fact. Please confirm or clarify otherwise.

b) Using the interest rate information included in the application, it would appear to Board staff that NSPML's WACC will continue to be lower than NS Power's. Please provide NSPML's forecasted WACC for 2027 and 2028 on a confidential basis.

Request IR-11:

On page 8 of 28, NSPML explained its Integrated Vegetation Management methodology and stated that it "is now in a position to provide a vegetation management estimate for the 2027/2028 Assessment Application".

a) Please detail the vegetation management activities that are planned to be undertaken in each of 2027 and 2028.

b) What are the vegetation management cost estimates included in the 2027/2028 assessment application?

c) Has NSPML evaluated whether any cost savings can be achieved by combining its vegetation management contractual requirements with those being undertaken by NS Power? Please elaborate.

d) Please provide a copy of NSPML's vegetation management plan that extends beyond the 2027/2028 period. If none exists, please explain if and when such a plan will be developed.

Request IR-12:

On Page 24 of 28, Section 5.3 2027 Station Control and Monitoring System (SCM), NSPML stated that the existing SCM system is about to be obsolete and need replacement.

a) Please provide additional information describing the function and impact of the SCM system, including its components and the function of each component.

b) Please explain the expected useful life of the new SCM system.

c) Please explain how the new SCM system would affect the operation and functionality of the overall HVDC system, when compared to the existing system.

d) Does NSPML expect that an outage will be required to replace the SCM system? If so, please provide the expected duration of the outage.