2026 **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***

IN THE MATTER OF: **An Application by NSP Maritime Link Inc. for approval of its 2027 and 2028 revenue requirements and cost assessment**

REDACTED

INFORMATION REQUESTS

To: Nova Scotia Power Maritime Link ("NSPML")

From: The Industrial Group

Responses Due: August 20, 2026

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Issued at Halifax, Nova Scotia, this 28th day of July 2026.

Request IR-1:

Reference: Section 2.0, Table 1, Overall Revenue Requirement (p. 6).

(a) Please explain what specific factors gave NSPML sufficient confidence to file a two-year assessment at this time, given that prior applications have been filed on a one-year basis and the Board previously observed that a Long-Term Asset Management Plan (LTAMP) could form a foundation for multi-year certainty (2024 NSUARB 199, paras. 37–38).

(b) Please identify any costs or cost categories for which NSPML's forecasting confidence is materially lower for 2028 than for 2027 and explain how NSPML has addressed that uncertainty in its Application.

(c) Please quantify the regulatory cost savings NSPML attributes to a two-year versus a one-year assessment process.

Request IR-2:

Reference: Section 2.2, Table 2, O&M Forecast 2027 and 2028 vs 2026 ($ millions) (p. 7)

(a) Please update Table 2 with additional columns showing the Forecasted, Approved (to the extent it differs from Forecasted), and Actual amounts for each of 2021, 2022, 2023, 2024, and 2025 for each O&M sub-category, and for 2026, the Approved amount and actuals to the most recent available date together with a revised forecast to year-end.

(b) Please provide an explanation for any variances +/- 10% between Approved and Actual in each prior year.

(c) Please disaggregate the Maintenance & Inspections line in as much detail as NSPML has, consistent with the level of detail provided in Confidential Attachment 1 and in response to prior-year M12394, N-7, NSPML (IG) IR-4.

Request IR-3:

Reference: Section 2.2.1, Maintenance & Inspections — HVDC Converter Station Service Agreement (p. 8).

Preamble: The Application states that the existing HVDC OEM converter station service agreement will expire at the end of Q1 2027 and that renewal negotiations are at sufficient maturity to include indicative pricing (p. 8).

(a) Please confirm whether a new Long-Term Service Agreement (LTSA) has been executed. If so, please provide a copy (with any commercially sensitive pricing in a confidential attachment). If not, please confirm the expected execution date.

(b) Please provide the annual amounts paid under the existing LTSA since the Maritime Link entered service, by cost sub-category (consistent with Confidential Attachment 1 of this Application).

(c) Please identify and explain any material changes in scope, pricing structure, or duration between the existing LTSA and the proposed new agreement.

(d) Attachment 1 includes line items for "[redacted]", "[redacted]", and "[redacted]". Please confirm if these are new line items, and if so, explain the basis for each of these new items and why they were not included in prior assessments.

(e) Please provide the justification for redacting the support detail, rather than simply the confidential costs. If the support detail can be disclosed, please refile, redacting only the cost columns.

Request IR-4:

Reference: Section 2.2.1, Maintenance & Inspections — Vegetation Management (p. 8).

Preamble: The Application states that, as a result of the Integrated Vegetation Management (IVM) methodology, NSPML is now in a position to provide a vegetation management estimate for the 2027/2028 assessment.

(a) Please provide that estimate, broken down by year (2027 and 2028) and by activity (e.g., clearing, treatment, LiDAR, in-situ observation), and state any assumptions used.

(b) Please explain why this estimate was not available for prior assessments and what specific information obtained from the IVM program now permits the estimate to be made.

(c) Please provide the actual costs incurred for vegetation management in each year the Maritime Link has been in service and compare those actuals to any approved or forecast amounts.

Request IR-5:

Reference: Section 2.2.1, Maintenance & Inspections — Contingency Support Agreement for HVDC Cables (p. 9).

Preamble: The Application includes [redacted] per year in 2027 and 2028 for a contingency support agreement relating to the HVDC cables and proposes to refund to customers any funds not specifically allocated for such services (stated as consistent with the treatment in prior assessments).

(a) Please provide an update on the status of negotiations for a contingency support agreement with the HVDC OEM or third parties since the 2026 Assessment.

(b) Please identify what specific barriers have prevented NSPML from executing an agreement to date.

(c) Please quantify the amounts approved for this purpose in prior assessments and the amounts refunded to customers in each year, with applicable WACC, and provide the basis for any WACC applied.

(d) Please provide NSPML's current assessment of the likelihood that such an agreement will be concluded before the end of the 2027–2028 assessment period.

Request IR-6:

Reference: Section 2.2.2, Marine Survey Cost Recovery Approach — Placeholder Amount and Process (pp. 9–13).

Preamble: The Application proposes an interim approval based on a Placeholder Marine Survey cost, with the Contracted Marine Survey cost to be filed after procurement (expected Q4 2026 or Q1 2027) and incorporated into the 2027 assessment via an amended order.

(a) Please explain the basis on which the Placeholder amount was determined, including all assumptions.

(b) Please provide the underlying [redacted] referenced in footnote 7 on p.11.

(c) The Application draws an analogy between this process and NSPI's fuel cost treatment. Please explain the key similarities and differences between the two mechanisms and whether there are material structural differences that bear on the appropriateness of the analogy.

(d) Does NSPML propose that intervenors will have the opportunity to review and comment on the Contracted Marine Survey cost and procurement process prior to the issuance of an updated Order and the revised assessment takes effect? Please explain.

(e) Please confirm who bears the risk if the Contracted Marine Survey cost exceeds the Placeholder amount by a material margin, and whether any cap or mechanism is proposed to protect ratepayers in that scenario.

Request IR-7:

Reference: Page 12, line 28 – p.13, line 2.

As an incentive to finalize the Contracted Marine Survey cost in a timely manner, NSPML will not seek an adjustment for WACC should the Contracted Marine Survey cost not be available prior to year-end 2026, are higher than the Placeholder Marine Survey cost and such increase is included in assessment recoveries over the remainder of 2027.

(a) In stating the above, please confirm or otherwise explain:

(i) If the final Contracted Marine Survey cost turns out to be higher than the Placeholder, ratepayers would still pay the actual incremental cost through assessments in 2027.

(ii) NSPML would not seek compensation for the carrying cost of that delayed recovery (i.e. WACC) during the period between when the costs were incurred and when they were recovered.

(iii) Please provide the calculations showing a realistic order of magnitude (or range) of this incentive. State the assumptions regarding how much the Contracted Marine Survey costs exceed Placeholder, how long the recovery is delayed before being collected through assessments in 2027 and WACC.

Request IR-8:

Reference: Section 2.2.2 and 4.0 — Marine Survey Cost Recovery (In-Year vs. Smoothed) (pp. 9–13, 21–22).

(a) Using the Placeholder Marine Survey cost as the base case and including WACC impacts, please provide a spreadsheet demonstrating the net cost to customers under each of the following scenarios, with all formulae intact and all assumptions stated:

(i) full in-year recovery in the year the marine survey cost is forecasted to be incurred (no smoothing and no true-up);

(ii) recovery smoothed over a three-year period immediately preceding the survey year (i.e., pre-collection);

(iii) recovery smoothed over a three-year period immediately following the survey year (i.e., post-collection);

(iv) recovery smoothed over a three-year period centred on the survey year (i.e. with costs collected before, during and after the year in which the survey cost is forecasted to be incurred);

(v) recovery smoothed evenly over a three-year period commencing in 2027;

(vi) recovery based on the approach described in the Application with a true-up adjustment once the actual Contracted Marine Survey cost is known, with the amount recovered where actual costs exceed the Placeholder;

(vii) recovery based on the approach described in the Application with a true-up adjustment once the actual Contracted Marine Survey cost is known, with the amount recovered where actual costs are lower than the Placeholder; and

(viii) recovery based on the Application approach where the Contracted Marine Survey costs equal the Placeholder.

(b) Provide a table of all scenarios that lists for each, the cumulative amount collected from ratepayers, the associated WACC/carrying cost impacts, and the net present value of customer payments over the recovery period.

Request IR-9:

Reference: Section 4.0, Key Considerations (pp. 21-22).

(a) Please quantify and explain the basis for NSPML's assertions that its borrowing rates "<u>are</u> higher than NS Power's" (bullet 1, p. 21), and "<u>likely</u> at higher rates" (bullet 3, p. 22) including any supporting documentation regarding NSPML's cost of borrowing under its current credit facility.

(b) Bullet 5, p. 22 states NSPML does not have a balancing mechanism comparable to NSPI's FAM. Please explain whether the Board could direct the establishment of a limited deferral account for marine survey cost timing differences, and whether NSPML has any objection in principle to such a mechanism.

(c) Please confirm whether the marine survey frequency of approximately every three years should now be treated as a settled assumption for planning purposes, or whether NSPML considers this subject to material change.

(d) Please explain what NSPML is requesting when it states "if the Board directs NSPML to implement smoothing…. NSPML would request flexibility to adjust DER impacts…"

Request IR-10:

Reference: Section 2.2.5, Insurance (p. 13).

Preamble: Insurance costs are forecast to decrease from $4.5 million (approved 2026) to $4.3 million in 2027 and $4.2 million in 2028.

(a) Please provide the insurance cost forecast by coverage type (e.g., property, liability, business interruption, marine, etc.) for 2027 and 2028.

(b) Please explain what drove the decrease in premiums compared to the approved 2026 amount and confirm whether these estimates reflect actual renewal terms or broker projections.

(c) Please confirm whether the Cable Protection Project, once complete, will affect NSPML's insurance structure or premium levels, and if so, how this has been reflected in the 2027 and 2028 forecasts.

Request IR-11:

Reference: Section 2.3.1, Depreciation — Depreciation Study Update (p. 14).

Preamble: The Application states that NSPML commits to undertaking and filing an updated depreciation study within six months of completion of the Cable Protection Project (expected Q3 2026), and subject to review as determined by the Board.

(a) Please confirm whether the Cable Protection Project is on track for completion by Q3 2026. If not, what is the updated completion date?

(b) Does NSPML propose a process for review of the updated depreciation study in advance of the next assessment application? If so, please describe the process, including a proposed timeline.

Request IR-12:

Reference: Section 2.3.2, Sustaining Capital — Station Control Monitoring System (SCM) (pp. 14–15, 24).

Preamble: The Application includes [redacted] in 2028 for SCM depreciation based on an original OEM quote of [redacted], but states that NSPML will file a separate capital application for full project approval.

(a) When does NSPML anticipate filing the separate capital application for the SCM upgrade? Will it be filed in sufficient time to be reviewed before the SCM work is planned to commence during the September 2028 outage?

(b) Please provide the original OEM quote of [redacted] referenced in the Application (or a confidential version), along with the date of that quote and any subsequent revisions to scope or pricing.

(c) Please explain why only Q4 2028 depreciation ([redacted]) is included in this Application rather than a full-year amount and confirm the assumptions regarding the expected in-service date of the SCM upgrade.

Request IR-13:

Reference: Section 2.3.3, Capital Depreciation (p. 15).

The Application seeks recovery of $57.7 million in depreciation in 2027 and $58.1 million in 2028.

(a) Please reconcile the depreciation amounts in Table 1 and the Rate Base Continuity Schedule (Confidential Attachment 2), consistent with the reconciliation provided in response to N-7, M12394, NSPML (IG) IR-09 t.

(b) Please confirm whether any close-out matters remaining from the Final Project Costs Decision (M10206) have been resolved since the 2026 Assessment Application. For any still outstanding, please provide the same particulars and timing information previously provided in response to IG IR-10 in M12394, the 2026 Assessment.

(c) The Rate Base Continuity Schedule (Attachment 2) shows deferral and amortization of marine survey costs in certain years. Please confirm whether the 2027 Placeholder Marine Survey cost, and ultimately the Contracted Marine Survey cost, will be treated as an O&M expense (not capitalized) and explain qualitatively and quantitatively what, if any, impact that treatment has on the rate base continuity schedule.

Request IR-14:

Reference: Section 2.4.1, Annual Net Interest Costs (pp. 16-17).

Preamble: The Application states that NSPML has <u>committed</u> to a term unsecured revolving credit facility for up to $25 million, in addition to an <u>uncommitted</u> accordion of $10 million.

(a) Please explain the significance of the “committed” credit facility and “uncommitted accordion”.

(b) NSPML states that the FLG and FLG2 presently limit additional borrowings by NSPML to $10 million. Please explain whether any waivers or amendments to the FLGs are required, and if so, have been sought and/or secured

(c) Please explain what specific steps will be taken by NSPML to “appropriately expand its borrowing capabilities”.

(d) Please confirm the amount of the credit facility that NSPML has drawn, or expects to draw, in 2027 and 2028, and provide the assumed interest rate used to forecast interest on sustaining capital debt.

Request IR-15:

Reference: Section 3.0, Federal Loan Guarantee 2 (p. 20).

Preamble: The Application seeks recovery of $38.8 million in FLG2 financing costs in 2027 and $38.0 million in 2028, comprising coupon interest, principal repayments, and a Guarantee Fee.

(a) Please confirm the current outstanding principal balance of the FLG2 bonds as of the filing date of this Application.

(b) Please provide an amortization schedule for the FLG2 bonds through to maturity showing semi-annual principal and interest payments, consistent with the information previously provided in N-7 M12394, NSPML (IG) IR-14.

Request IR-16:

Reference: Section 5.0, Asset Management Outlook (pp. 23–26).

(a) Please confirm the status of the LTAMP negotiations with Newfoundland and Labrador Hydro (**NLH**). Please update whether resolution was achieved as anticipated in 2026 (as referenced in the response to prior-year M12394, N-7, NSPML (IG) IR-20(e)) and N-8, NSPML (NSEB) IR-6, and if not, please explain the barriers and provide a revised timeline.

(b) Please confirm the status of the Submarine Cable Protection Project, including whether it has been completed, whether it is within budget, and the final or estimated final cost.

Request IR-17:

Reference: Section 6.0, Regulatory Review Process (pp. 27).

Preamble: NSPML agrees to refund $154,000 in regulatory budget amount forecasted for the 2027/2028 Assessment process less any fees billed by the Energy Board (limited to expert evidence and Board Counsel), the Consumer Advocate, the Small Business Advocate and any NSPML expert costs required to respond to interrogatories or other filed expert evidence. if a paper process is adopted.

(a) Please provide a breakdown of budgeted and actual regulatory amounts from the 2026 assessment application, including the fees billed and costs incurred as described above.

(b) Please provide a breakdown of how this $154,000 figure was forecasted, including the component costs, and clarify how a refund would be applied.