M12914

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: *The Public Utilities Act,* R.S.N.S. 1989, c.380, as amended 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.

INFORMATION REQUESTS (NON-CONFIDENTIAL)

To:

Shellie Woolham
Emera Newfoundland & Labrador
Director Regulatory Affairs & Governance
By email: shellie.woolham@emera.ca

From: Small Business Advocate

Responses Due: August 20, 2026

Copies: 1 electronic copy (PDF searchable)

Contact Person:
Melissa P. MacAdam
Blackburn Law Inc.
Small Business Advocate
Phone (902) 835-8544
mmacadam@blackburnlaw.ca

Issued at Bedford, Nova Scotia on this 28th day of July, 2026

Request IR-1:

Refer to M12914, Exhibit N-1, Application by NS Maritime Link, Inc. (NSPML) for approval of its 2027 and 2028 revenue requirements and cost assessment, submitted by NSPML on June 25, 2026 (the "Application"), Section 2.2 O&M Costs, and Section 2.2.1 Maintenance & Inspections:

a) Please provide a detailed breakdown of the major differences between the HVDC OEM converter station service agreement and the HVDC contingency support agreement.

b) Please confirm whether the HVDC OEM converter station service agreement has been finalized and if not, please explain why indicative pricing is sufficient to support this Application and the reasons why actual pricing might differ once finalized.

c) Please explain what circumstances have changed or additional information obtained that results in NSPML stating that it is "now in a position to provide a vegetation management estimate for 2027/2028 Assessment Application." (p. 8 of 28, lines 25-26).

Request IR-2:

Refer to the Application, Section 2.2.3 Summary of Requested Marine Survey Cost Treatment, page 12 of 28, lines 22-30, and page 13 of 28, lines 1-2, which states:

- When the Contracted Marine Survey cost is determined, NSPML will file the cost and associated support with the Board. Included in the filing will be an adjusted assessment payment schedule reflecting the increase in cost to customers (if the Contracted Marine Survey cost is higher than the Placeholder Marine Assessment cost) or decrease in cost to customers (if the Contracted Marine Survey cost is lower than the Placeholder Marine Assessment cost). An adjustment lower will trigger a refund to customers including WACC (if applicable). 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) Why does NSPML need an incentive to finalize the Contracted Marine Survey cost in a timely manner?

b) Given the joint conditions specified above for the event that Contract Marine Survey cost is higher than the Placeholder Marine Survey cost, does this mean that NSPML does <u>not</u> expect to finalize and submit an application to the Board for this cost by December 31, 2026?

Request IR-3:

Refer to the Application, Section 2.2.4 Labour & Administration, p. 13 of 28, lines 13-16, which states:

> The labour and administration cost category is composed of costs related to regulatory and legal, consulting, and labour and incentive. The increases in 2027 and 2028 are reflective of inflationary increases of approximately 3 percent year over year.

a) What is the source or Board authorization for assuming a 3 percent annual inflationary increase cited above?

b) If NSPML is not able to finalize the above referenced Contract Marine Survey cost and/or the above referenced OEM and HVDC service agreements in a timely manner, should the incentive component of the labour and administration cost category in this Application be reduced to less than 3 percent?

Request IR-4:

Refer to the Application, Section 2.5 2027 and 2028 Equity Financing Costs, page 19 of 28, lines 16-27, which states:

> For the 2027 and 2028 Assessment, NSPML has applied an ROE of 8.75 percent, consistent with the Board's 2026 Assessment Decision.[17]
>
> For 2027, applying the NSEB-approved 30 percent equity thickness and 8.75 percent ROE to NSPML's average rate base[18] of $1,463.2 million results in total equity financing costs of $38.4 million.
>
> For 2028, applying the NSEB-approved 30 percent equity thickness and 8.75 percent ROE to NSPML's average rate base of $1,407.9 million results in total equity financing costs of $37.0 million.[19] [Footnotes in quote have been omitted but are referenced in the original text of the Application on page 19 of 28.]

a) Please provide schedules showing the above referenced ROE and cost of capital allocations and financing costs for 2027 separate from 2028 in spreadsheet format with formulas intact.

Request IR-5:

Refer to the Application, Section 4.0 Marine Survey Cost Recovery (In Year Or Smoothed), page 21 of 28, lines 17-24, and page 22 of 28, lines 4-14:

a) Please provide the evidence that supports NSPML's claim that its current borrowing rates are higher than NSPI's current borrowing rate and that this is due to the absence of a credit rating?

b) Has NSPML incurred any costs or penalties for being unable to adhere to required debt-to-equity ratios to-date? If so, please explain and provide supporting detail.

c) What is NSPML's estimated cost of complying with smoothing? How does this compare with the net cost increase to customers by applying the difference in NS Power's WACC and NSPML's WACC?

Request IR-6:

Refer to the Application, Section 6.0 Regulatory Review Process, page 27 of 28, lines 6-20, which states:

> Given that this Application for 2027 and 2028 does not presently include expert evidence on any component of the Application, NSPML discussed with customer representatives their desire for an oral versus paper review process; understanding that the Board ultimately determines a process in the best interests of customers. During this discussion with customer representatives, NSPML indicated that a paper process is significantly less onerous on corporate resources (including the requirement for external legal counsel to assist with preparing for and participation in an oral hearing) and, that if the Board was comfortable with a paper process NSPML agrees to proactively refund its $154,000 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. Customer representatives were generally supportive but wished to retain the ability to request conversion to an oral hearing during the process.

a) Please provide a spreadsheet table showing the NSPML's regulator budget (including the work that comprises the $154,000 mentioned above) for the past three annual cost assessment applications.

b) Please confirm if NSPML is proposing to return funds already collected or is NSPML proposing to decrease the amount being claimed for 2027/2028?

c) How and under which account would NSPML track the refunded $154,000 regulatory budget amount should the Board decide not to hold an oral hearing?