



Blackburn Law Inc.

October 20, 2026

VIA EMAIL

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

Dear Ms. Henwood:

Re: M12914 – NSP Maritime Link Inc 2027/2028 Assessment Application

On June 25, 2026, NSP Maritime Link Inc. (NSPML) applied to the Nova Scotia Energy Board (NSEB) requesting approval of the above referenced 2027/2028 application for recovery of annual assessment costs of \$200.3 million and \$191.5 million from Nova Scotia Power Inc. (NS Power), respectively (the “Application”)¹. Specifically, NSPML requests approval of the following:

- 1) A 2027 and 2028 assessment for NSPML in the total amount of \$200.3 million and \$191.5 million, respectively, payable monthly by NS Power on the first day of each month with the exception of the FLG 2 obligation that will be payable in May and November of each year (the month prior to payout).
- 2) A process to include the Contracted Marine Survey amount in NSPML’s 2027 Assessment, that will be subject review at NSPML’s next assessment application.²

The Small Business Advocate (SBA) has reviewed the Application and the responses to Information Requests (IRs) submitted by the NSEB, the Industrial Group (IG), the Consumer Advocate (CA), as well as its own IRs and respectfully submits that several issues have been raised that should be considered by the Board before it renders its decision. Each of these concerns is discussed in more detail below.

1. IGBT Spare Inventory Policy

NSPML has embedded in this Application a change in its inventory management strategy to achieve target inventory amounts of IGBTs, notably without an LTAMP having been filed. IGBTs are critical components needed to ensure reliable service over both poles of the ML. As understood

¹ M12914, Exhibit N-1 Application, 1.0 Introduction, page 4 of 28, lines 1-15.

² M12914, Exhibit N-1, Application, page 28 of 28, lines 6-11.

from the 2026 Revenue Requirement and Cost Assessment Application, the plan was for NSPML to continue its process to reach its target of 224 IGBTs modules, with one order expected to be delivered in 2026 and another expected to be made in 2025 for delivery in 2027/2028³.

However, in the Application, it states that no new order had been made, and it was anticipated that if the expected 2027 order was made it would arrive in 2028, with no information regarding the reason for the delay⁴. The goal of the spare inventory strategy is to ensure that there is sufficient inventory for use upon module failure and no information has been provided as to whether the delay will affect NSPML's ability to reach its target of 224 modules in a reasonable period of time.

2. Key Service Agreements Still Unsigned

The SBA notes that NSPML has yet to complete negotiations for 3 key service agreements that would support reliable service to customers and provide some measure of certainty in the cost of future annual assessments. These service agreements are:

- a. The Contingency Support Agreement relating to the HVDC (primarily submarine) cables that is intended to improve outage responsiveness, which NSPML acknowledges may benefit from engaging with both the OEM and third parties.⁵
- b. The renegotiated HVDC Original Equipment Manufacturer (OEM) converter station service agreement that is due to expire at the end of Q1 2027, and for which NSPML acknowledges they have only indicative rather than known pricing.⁶
- c. The Contracted Marine Survey Cost, for which NSPML stated it had introduced an "incentive" to complete it "in a timely manner".⁷

With respect to the Contracted Marine Survey Cost, the SBA maintains that, consistent with good utility practice, no "incentive" should be required to complete negotiations, in a timely manner, for any of these agreements, as having an internal management team capable of successfully concluding negotiations, to the benefit of customers should suffice.

The SBA acknowledges that agreements can take time to negotiate and finalize but respectfully submits that these 3 agreements should be prioritized for final resolution to ensure that ratepayers have certainty and protection.

3. New Debt Financing Option:

NSPML provides an update to its description of debt financing by introducing the concept of having access to an "uncommitted accordion facility" that would allow it access to an additional \$10 million and further says that "(T)he financial covenants related to this facility mirror the FLG2

³ M12394, Exhibit N-1, NSPML 2026 Assessment Application, NSPML's Asset Management Outlook, Attachment 2, Section 4.4. Routine – IGBTs, Page 7 of 12, Lines 13-26.

⁴ M12914, Exhibit N-1, NSPML 2027/2028 Assessment Application, Page 25 of 28, Lines 22-28.

⁵ M12914 Exhibit N-1 Application, page. 9 of 28, lines 1-12.

⁶ M12914 Exhibit N-1 Application, page. 8 of 28, lines 1-8.

⁷ M12914 Exhibit N-1 Application, page. 12 of 28, lines 28-30, page 13 of 28, lines 1-2.

covenants.”⁸ It is respectfully submitted, that NSPML should be required to provide notice to the Board and intervenors when it draws on this accordion facility and to provide details on any impact on its debt covenants.

4. Inflation Rate Assumption

NSPML elected to use a 3% inflation rate assumption for project labour and administration expenditures, reflective of an inflationary trend year over year.⁹ NSPML states that this inflation rate assumption was based on a recently observed trend for “compensation frameworks” yet NSPML acknowledged they have maintained two vacancies currently being filled by consultants that ultimately may be filled by full-time employees whose equivalent salaries could be lower based on future market conditions.¹⁰

The SBA respectfully submits that a 3% inflation rate has not been established as being reasonable, especially in light of the increasing costs for energy being faced by ratepayers today.

Recommendations

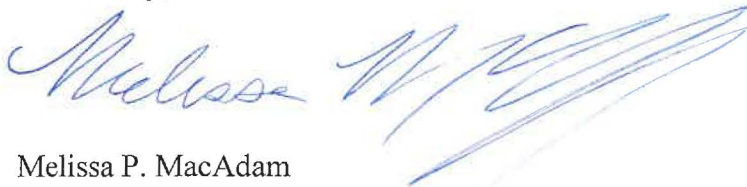
The SBA has outlined its areas of major concern with the Application above and respectfully requests that the Board require NSPML to address them in a Compliance Filing in which it:

- 1) Provides a better explanation of its IGBT spares procurement policy and any risk that the delay in ordering may have on its stated plan to obtain 224 spare units.
- 2) Confirms that the negotiations for the three key service agreements have been prioritized for completion.
- 3) Confirms that NSPML will provide notice to the Board and intervenors when it draws on the accordion facility and advise of any impact on its debt covenants that arises as a result.

The SBA thanks the board for this opportunity to provide these submissions.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 20th day of October, 2026.

Yours truly,



Melissa P. MacAdam
Small Business Advocate

⁸ M12914, Exhibit N-1 Application, Sec 2.4 Debt Financing Costs, page 17, lines 14-22.

⁹ M12914, Exhibit N-1 Application, Sec. 2.24, Labour & Administration, P. 13 of 28, lines 14-15.

¹⁰ M12914, Exhibit N-5 NSPML (NSEB) IR-4 (c – f), pages 2-3.