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Director, Regulatory Affairs & Governance
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Dear Ms. Woolham:

M12946 – NSP Maritime Link – 2026 Q2 Quarterly Report

On July 6, 2026, NSP Maritime Link Inc. (NSPML) filed its Q2 2026 report, which included updates on the Long-Term Asset Management Plan (LTAMP). NSPML submitted a request to the Nova Scotia Energy Board (Board) for confidentiality pursuant to *Rule 12* of the *Board Regulatory Rules* for the Q2 report. The Board approves NSPML's request for confidentiality.

The Board panel considering this matter is Stephen T. McGrath, K.C., Chair; Roland A. Deveau, K.C., Vice Chair; and Steven M. Murphy, MBA, P.Eng., Member.

The Board notes the following from its review of this quarterly report:

- A nearshore subsea inspection survey of the rock berms at the Horizontal Directional Drilling exit location in Cape Ray began in December 2025 but was discontinued before completion because of poor weather conditions. NSPML made a second attempt in May 2026. During the second attempt, bathymetry data was collected and a visual inspection was completed for both rock berms in this area. NSPML observed small changes compared with the 2024 survey. However, the company confirmed that both cables remain buried, and that it will file the inspection report with the Board once the report is complete.
- The Q2 helicopter inspections in Newfoundland and Nova Scotia have been completed, with no major deficiencies identified. The next helicopter patrol is planned for Q4 2026.

In the Q2 report, NSPML responded to the items requested by the Board in its 2026 Q1 decision letter. NSPML noted the following:

1. The land expropriation panel for land matters in Newfoundland and Labrador is not presently available. NSPML is directed to continue providing updates on this issue.
2. There are no new updates on the establishment of protocols between NS Power and Newfoundland and Labrador Hydro (NLH) for the development of the Regulation Service Agreement. NSPML noted that customers will not be charged before the Regulation Service Agreement between NS Power and NLH is

completed. NSPML noted that NS Power and NLH are negotiating for the respective system operators. Please confirm in the next quarterly update on this issue whether the Nova Scotia Independent Energy System Operator has been engaged by NS Power or NSPML on this issue.

3. There have been no new updates on the Subsea and Land Cable Maintenance and Repair Plan.
4. The second portion of the Cable Protection Project for the submarine cables remains on schedule for Q3 2026, as indicated in previous reports, and remains on budget.
5. During the nearshore subsea inspection survey, NSPML attempted to locate the missing upward looking sonar. The recorded data indicated that the sonar was not observed at its last known location. NSPML plans to continue identifying opportunities to locate and retrieve it.
6. The Unit 2 synchronous condenser outage at Soldiers Pond will not affect deliveries to Nova Scotia, because two of the three synchronous condensers remain available, when Unit 2 has been taken out of service. NSPML explained that it is part of the planned major five-year inspection service.
7. The final Special Protection System Inspection and Test Record is not available currently. NSPML will submit the record once it is available.
8. As requested by the Board, NSPML provided information about the Pole 1 reactor hall door false alarm and trip at an HVDC converter station. The reactor hall door is designed to remain closed at all times when the station is energized. The door has switches that are designed to trip the converter station if they sense that the door is open. This protects people from electrical risk during an inadvertent or unauthorized entry event. On July 9, 2025, the door sensor sent out an open signal and tripped the Pole 1 reactor, although the door remained closed. NSPML determined that heat from sun radiation caused the door to bow slightly, which activated a switch on the door and generated the open signal. NSPML adjusted the door switches and no further issues have been observed. NSPML has assessed another type of switch and plans to upgrade the switches with an updated version during the scheduled annual outage in September 2026.
9. On February 27, 2026, the two communication paths between the Woodbine, Nova Scotia, and Bottom Brook, Newfoundland, converter stations were unexpectedly lost, which contributed to a major outages in Newfoundland. To mitigate risk, the Maritime Link was gradually reduced to 0 MW under coordination between the Nova Scotia and Newfoundland and Labrador system operators. The Nova Scotia system operator then followed the Maritime Link Loss Optimization Protocol to adjust DC voltage. However, because communication had been lost, the operation controlled only the Nova Scotia-side converter station and caused the protection equipment to trip both DC links. The trip also caused a series of responses on the Newfoundland power system and resulted in widespread power outages. NSPML identified two contributing factors. First, communication path redundancy was lost. The communication system was designed to have two independent and redundant communication paths between the two converter stations. However, the telecom supplier had merged the redundant paths onto common infrastructure without notifying NSPML. The common infrastructure was damaged by “physical damage from external contact on this infrastructure” in Nova Scotia on February 27, 2026, resulting in the loss of both communication channels. The communication



structures were separated the following day, February 28, 2026. Second, there was no interlock to prevent voltage-adjustment operations during a loss-of-communication event. To prevent similar issues from recurring, NSPML installed an interlock function in the system, requiring operators to manually disable the interlocks during such events if they attempt to adjust voltages, and it removed the NSSO ML Loss Optimization alarm and DC voltage reduction protocol from regular operation.

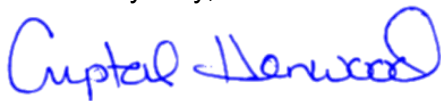
- a. NSPML is directed to provide clarification on the exact cause of the infrastructure damage in its next quarterly report.
10. There have been no new updates on the Newfoundland and Labrador System Operator's approval of the Labrador Island Link test result for release to full operation. Please keep the Board updated on this issue in future quarterly reports.
11. NSPML filed an update on the LTAMP and requested that the Board accept the update in the current quarterly report (and future updates in future quarterly reports) instead of requiring a separate report on July 31, 2026, as per the M12394 decision. The Board agrees that the required LTAMP updates can be provided in these quarterly reports.
12. NSPML provided breakdowns for the net credit and the total spending tables. The Board considers its direction satisfied on this point.
13. NSPML confirmed that a credit was applied to NS Power's June 2026 cost recovery invoice for \$500,000 plus interest of \$6,578 to account for the reduction in NSPML's 2026 cost assessment in accordance with the Board's decision dated May 11, 2026.
14. In a CBC news article posted on July 28, 2026, Newfoundland and Labrador's Premier was quoted as stating: "We are focused on the Upper Churchill opportunities, the opportunities for a transmission line to Labrador West and also an upgrade for the Maritime Link to see how much power we can export through that." [Emphasis added] Please provide the details of any discussions which have occurred with NSPML about an upgrade of the Maritime Link.

The CBC article is available at the following [link](#).

In its previous letter, the Board highlighted the importance of the Regulation Service Agreement, which was originally expected to be completed in 2017. The Board continues to note that NSPML will be at risk for disallowances should costs be incurred or losses be experienced that would not have occurred (or would not have occurred to the same extent) had the agreement been completed in a timely fashion.

The Board accepts NSPML's Q2 2026 quarterly report and requests that further updates on the numbered items above be included in the next quarterly report.

Yours very truly,



Crystal Henwood
Clerk of the Board

c. William L. Mahody, K.C., Board Counsel
Interested Parties

