Berwick Electric Commission

2026 Flowthrough Amendment Application

Summary of Request

1. In accordance with the Board's Decision and Order in M11893 approving amendments to the approved Flowthrough Formulas, the Berwick Electric Commission ("BEC") is requesting approval of changes to the rates of all its customer classes to flow through changes in its cost of purchased power.

2. On the basis of the rates from its suppliers and a forecast of its test year loads, BEC computes the total additional revenue required at **$222,896** including the added costs of power supply at newly effective rates and demand-side management programs (DSM). In support of the calculations, see attached Confidential Attachment A, filed electronically.

3. Not included in this amount is the approved allocation to BEC of outstanding FAM and Maritime Link costs under Nova Scotia Power's FAM mechanism AA and BA, which BEC is proposing to defer pending (i) NS Power's filing of the next AA/BA Application (ii) discussions about the potential securitization of this balance with the Province of Nova Scotia, and (iii) consideration of the appropriate time period for recovery in BEC's next General Rate Application, expected later this year.

4. The calculations also do not include any changes with respect to the implementation of a non-reciprocal arrangement with respect to the Back-up/Top-up and Spill Tariffs following the change in legislation, as well as any changes to the Power Purchase Agreements with the Alternate Resource Energy Authority ("AREA") that may be required as a result of that change. AREA and NS Power are in the process of implementing this change, and BEC expects to provide further information and details on the impact as part of its next General Rate Application. The supporting pages from the PPA with annual escalation are attached as Confidential Appendix B.

5. The increase in purchased power costs (including DSM) of **$222,896 (A)** divided by the energy and demand components of BEC's rates **(B = $7,065,484)**, as described below, as forecast, results in an increase to these rate components of **3.155% (C = A/B)**. Consistent with the Tariff, BEC customers will be notified of the proposed increases on July 20, 2026.

6. With respect to the requirement to file a proposed true-up mechanism and tariff language in Matter M11893, BEC notes that in letters dated June 27, 2025, October 29, 2025, and January 30, 2026, the Board granted extensions to the requirement to file the proposed true-up mechanism and tariff language to one month following the filing of NS Power's AA/BA application.

7. As of the date of this Application, NS Power has not filed its AA/BA application. Accordingly, BEC has not yet developed its proposed true-up mechanism and tariff language. At this time, BEC is requesting that it include a proposed true-up mechanism and tariff language as part of its next General Rate Application, which is expected later this year. In support of this request, BEC notes that the true-up mechanism will not be required until the next flow-through application, which is expected to be required within two years following the date of the Board's decision in this matter. Consideration as part of the General Rate Application and following approval of this flowthrough will provide more time and procedural opportunity to fully consider the required true-up mechanism in the context of the implementation of a non-reciprocal arrangement with respect to the Back-up/Top-up and Spill Tariffs and the proposed treatment of the outstanding FAM and Maritime Link balance.

   Thank you for consideration of this Application.

   Jennifer Boyd
   CAO, Town of Berwick
   Phone: 902-538-8068
   Email: jboyd@berwick.ca

Methodology

1. Cost of power rates as included in BEC's 2023 M11577 Application was re-computed to provide starting point for computations.

2. The application is for a test year from April 1, 2026 to March 31, 2027. As the flow-through application process is intended to be streamlined for both the utility and the Board, a simplified approach was applied in load forecasting. The percentage growth in kWh sales for each customer class from the GRA M11199 has been applied to the actual kWh sales for 2025 to estimate the kWh sales for 2026 and 2027.

3. Based on these assumptions, kWh sales for the Test year were computed, at a total of **39,918,500 kWh.**

4. To forecast kWh purchases, the sales figure was increased by 4.30% to adjust for system losses. This is the loss percentage used in the 2023 GRA.

5. For the test year, a more detailed approach, incorporating all elements of the utility's supply cost now in effect, has been reflected in the new cost of power computation. This includes costs of Ellershouse wind supply, BUTU service, solar, related transmission services at network rate plus ancillary services, with the balance of requirements assumed to be supplied by NSPI at the approved municipal rate.

6. Test year costs assume rates effective May 1, 2026 for months in 2026, and known increases effective January 1, 2027 for the remainder of the test year.

7. The difference between costs of test year supply needs at the rates used in BEC's current supply costs (M11577) and new rates as described above was then computed at **$222,896**. As the test year forecast loads are included in both figures, this differential is entirely due to unit prices.

8. For all metered load classes, revenues at forecast sales and current rates were computed by applying the existing rates to the billing determinants.

9. For unmetered loads, revenues were held constant, assuming unchanged load. To prepare for application of the percentage flow-through factor, which the Board has ordered should apply to non-fixed rate components only, the rates for unmetered loads needed to be analyzed. Data from the GRA were used to separate non-energy cost components from the revenue requirement of this class, to determine the energy-related cost.

10. The model develops computations for new rates for all classes by applying a fixed percentage increase to the relevant components of each class rate structure. As the Board has ordered that a rate increment for flow-through be applied only to variable (demand and energy) charges, and not to basic or fixed charges, the percentage increase in these rate elements would be higher than the percentage that would be required if the increase applied to all parts of the rate structures. The required increase of **3.155%** to recover a $222,896 increase in power supply cost (including DSM) when applied to energy and demand charges.

11. These computations as included in the attachment produce proposed rates for all customer classes including Domestic Time of Day. For those rates, 2x the Domestic balance block rate will apply to peak hours, 1x the Domestic balance block rate will apply to mid-peak hours, and the NSPI Municipal energy rate adjusted for losses of 4.00%, will apply to off-peak consumption.