

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: The **MORE ACCESS TO ENERGY ACT**

IN THE MATTER OF: **An Application by the INDEPENDENT ENERGY SYSTEM
OPERATOR OF NOVA SCOTIA** made pursuant to Section 29
of the More Access to Energy Act for the review of its Fee
Recovery Mechanism

INFORMATION REQUESTS
(NON-CONFIDENTIAL)

To: **Mark Peachey**
Director Regulatory Affairs
Nova Scotia Independent Energy System Operator (IESO-Nova Scotia)
mark.peachey@ieso-ns.ca

From: Small Business Advocate

Responses Due: September 22, 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 1st day of September, 2026

Request IR-1:

Refer to M13007, Exhibit N-1, Application, Section 1. Executive Summary, page 4 of 48, at lines 1-11 and Figure 1 at lines 12-13 on the same page:

- a) If IESO-NS takes over control of the grid in the future, as contemplated in Phase 2, and this commences in the middle of IESO Nova Scotia's 12-month fiscal year beginning April 1 and ending March 31, will the incremental costs incurred by IESO-NS related to the Phase 2 operation of the grid be added to its revenue requirements for that fiscal year and, if so, will it be reflected in any true-up mechanism?
- b) If yes, when will the true-up mechanism be evaluated and be submitted for approval?

Request IR-2:

Refer to M13007, Exhibit N-1, Application, Section 1, Executive Summary, page 3 of 48, lines 10-16, which states:

IESO Nova Scotia proposes a fixed monthly direct charge to load serving entities ("LSEs") in Nova Scotia, allocated according to each LSE's proportionate share of annual load served, with two options for an annual revenue requirement true-up to reconcile IESO Nova Scotia's forecast and actual costs, and a load allocation adjustment to reconcile forecast and actual load share (collectively, the "Proposed Mechanism"). The current applicable LSEs are NSPI, the Town of Berwick Electric Commission, the Town of Mahone Bay, the Town of Antigonish, and the Riverport Electric Light Commission.

And refer also to Exhibit N-1(iii), Appendix 3 Fee Calculation Model – Excel, tabs "Illust. True-Up (Compliance).

- a) Does the allocation to each LSE's proportionate share of annual load served reflect the total MW hours over the IESO-NS fiscal year? Will the allocation reflect peak load requirements in any way?
- b) Why does the Berwick Electric Commission (Berwick) receive a credit of -\$6,499 in Cell N55 in Column "2026/2027 Allocation Adjustment"?
- c) Why does the 2026-2027 Actual % for Berwick equal 0.33% in cells G55 and L55, when in the tab "Fee Recovery Calculation" (cells C5, C19, E5, E19 and J19) the percentage for Berwick is 0.37% for both 2025/2026 and 2026/2027? What would cause this percentage to change such that it would or could result in a credit as shown?

Request IR-3:

Refer to M13007, Exhibit N-1, Application, Section 3.3 Allocation of Revenue Requirement to Market Participants, page 16 of 48, at lines 7-22.

- a) What changes does the transition to Phase 2 entail in terms of employee assignments or secondments from NS Power or NSPSO and when will these changes occur? Please include with your response a table showing the transfers and the associated costs for those that have already occurred as well as those that will occur under Phase 2.
- b) Please refer to the NS Power website for its table describing the 10 Open Access Transmission Tariff (OATT) schedules listing the functions that each performs: (link provided below for convenience)
[https://www.nspower.ca/docs/default-source/monthly-reports/oatt-schedules\(pdf\).pdf?sfvrsn=a5db547_7](https://www.nspower.ca/docs/default-source/monthly-reports/oatt-schedules(pdf).pdf?sfvrsn=a5db547_7)
 - i. Which of these functions, if any, does IESO-NS already perform today?
 - ii. Which of these functions have costs that are included in this proposed IESO Fee Recovery Mechanism?
 - iii. Which of these functions have costs that are included in IESO-NS' latest revenue requirements application?

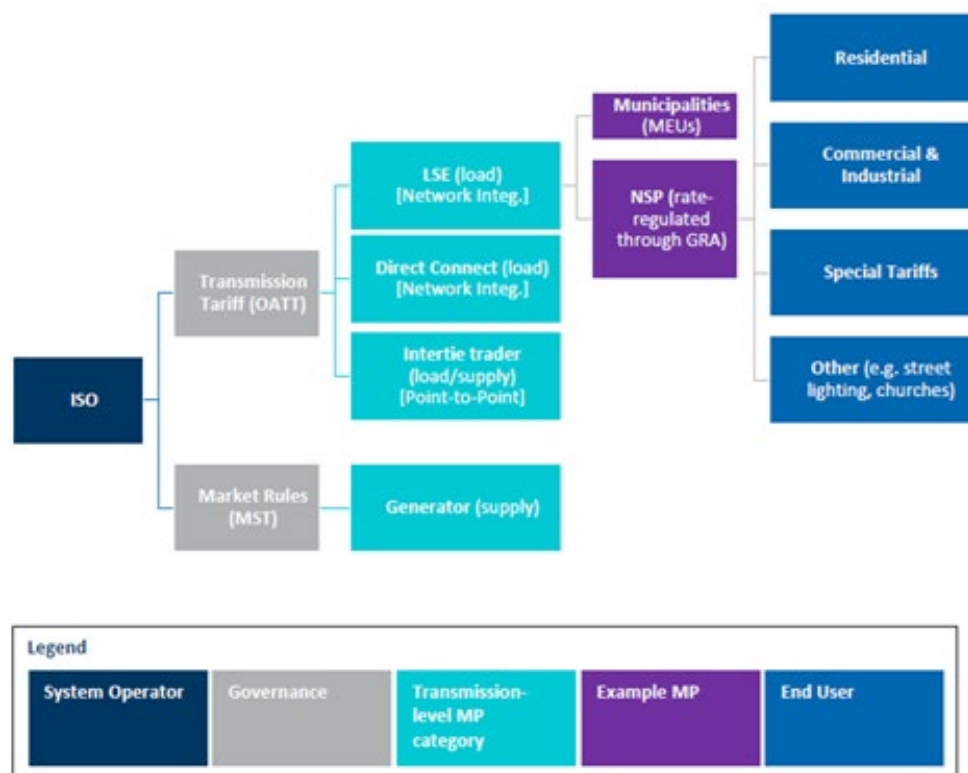
Request IR-4:

Refer to M13007, Exhibit N-1(i), Appendix 1 – ISO Enduring Fee Cost Recovery Jurisdictional Scan (FTI), Relevance to Nova Scotia, and Figure 5 on PDF page 23 of 28, which states:

Relevance to Nova Scotia

The market participants in Figure 5 represent those applicable across the various benchmarking group ISOs described above. Because many of those grids run wholesale energy and other markets not present in Nova Scotia, only a subset of these MPs is relevant for consideration of applying the findings of the jurisdictional scan above to Nova Scotia. This figure will provide context for considering how the IESO in Nova Scotia may consider designing its own charging mechanism.”

Figure 5: Potential IESO market participants



- a) Please provide a current list of the entities that IESO-NS serves in each of the categories shown in the turquoise and purple colored boxes in Figure 5 above.
- b) Which of these market participant categories currently include:
 - i) NSPEMI?
 - ii) Entities that currently, or may in the future, request to wheel power through IESO-NS's grid?
- c) Does the More Access to Energy Act currently allow IESO-NS to offer wheeling, ancillary or day-ahead procurement options for market participants today and if so, are the expected revenues from these services included in the 2026/2027 revenue requirement?
- d) How does IESO-NS plan to evaluate the financial and performance capacity of existing and new market participants?
- e) Does IESO-NS currently have plans to require participants to post financial assurances to guarantee market settlement? If so, would they be in the form of cash deposits or letters of credit?

Request IR-5:

Refer to M13007, Exhibit N-1, Application, Section 4.2 The Proposed Fee Recovery Mechanism, which includes descriptions of Revenue Requirement True-Up Option 1 on pages 29-30 of 48 and Option 2, on pages 30-33 of 48. And refer also to Exhibit N-1(iii) Appendix 3 Fee Calculation

1 Model – Excel, tabs “Fee Recovery Calculation” and “Illust. True-Up (Compliance)”. See also,
2 Exhibit N-1, Application, at the top of page 33 of 48, at lines 1-4, and Footnote 14 at the bottom
3 of the page,
4

5 a) Please provide IESO-NS’s unaudited financial statement as of March 31, 2026 that was
6 included in M12663 as the response by IESO-NS to Undertaking U-5.

7 b) Please refer to IESO-NS response in matter M12663, Exhibit N-18, Undertaking U-5,
8 Attachment 01, which shows that the under-spend occurred in three expense categories:
9 *Administration Salaries and Wages; NSPI Employee Transfers and IRP Co; and Facilities*
10 *and Technology.*

11 i) Has the amount of under-spend either in total or in any of these three individual
12 categories changed since March 31, 2026? If so, please explain.

13 ii) Referring to IESO-NS’s description, on page 32 of 48, at lines 9-10 of the
14 Application, that one of the benefits of the compliance filing is that “(I)n the event
15 of an under-recovery of IESO Nova Scotia’s revenue requirement, the
16 corresponding earlier collection from LSEs reduces carrying-costs”, did the
17 response to U-5 in matter M12663, Exhibit N-18, include any carrying-costs?

18 iii) Where in IESO-NS’s revenue requirements filing and unaudited or audited
19 financial statements would carrying costs be reported?

20 c) Please provide an update as to the expenses incurred by IESO-NS for the fiscal year
21 2026/2027 as of the date of these IRs.

22 d) If carrying-costs are to be calculated in the Revenue Requirements Deferral and Variance
23 Mechanism (DVM), please provide an illustrative example showing the true-up amount
24 detail including carrying costs.

25 e) Are there any costs under Section 29 of the More Access to Energy Act that are to be
26 allocated or charged to entities other than LSEs? If so, will the proposed true-up
27 mechanism(s) apply to other market participants besides LSEs? If not, please explain how
28 IESO-NS will verify that non-LSE costs are fully recovered?

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30 **Request IR-6:**

31 Refer to M13007, Exhibit N-1, Application, Section 4.2 The Proposed Fee Recovery Mechanism,
32 which includes Figures 10 and Figure 12, illustrating the timeline for Revenue Requirement True-
33 Up Option 1 and Option 2, on pages. 33-36 of 48. Please also refer to the process for “Load
34 Allocation Adjustment” which is illustrated in Figures 11 and 13 as happening during FY2 and
35 that LSEs will be required to provide their actual load served data to IESO-NS within 60 days of
36 the end of each fiscal year to complete this adjustment. (Exhibit N-1, Application, on page 33 of
37 48, at lines 11-12.)
38

- 1 a) How will the timelines shown in the Figures 11 and 13 be impacted if one or more of the
2 LSEs does not meet the 60 day deadline?
3 b) How will IESO-NS verify the reporting by the LSEs as to their actual load?
4 c) What is the consequence for an LSE missing this deadline, i.e., does IESO-NS have the
5 authority to impose a penalty to incentivize prompt reporting? If so, what is the source of
6 this authority?
7 d) How will IESO-NS confirm if the market participant is an LSE for part of its load and a
8 direct connected load for the remainder?
9

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11 **Request IR-7:**

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13 a) Has IESO-NS performed an analysis on the bill impact for ratepayers based on the
14 proposed fee recovery mechanism being proposed?
15 b) If so, please provide, with as much detail as possible.
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17

18 **Request IR-8**

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20 Refer to M13007, Exhibit N-1, Application, Page 10 of 48, Lines 18-20, it states:
21

22 ISO Core Costs consist of (i) ‘inseparable costs’ incurred for activities that do not have an
23 easily identifiable beneficiary, and (ii) ‘direct costs’ attributable to an identifiable
24 beneficiary or user.

25 Then on Page 13 of 48, Lines 7-8, it states:

26 System planning and procurement activities do not have individual direct beneficiaries
27 other than for interconnection studies.

28 However, on Page 11 of 48, Figure 3: ISO Core Costs Flow Chart, it has Interconnection Studies
29 under Core Costs.
30

- 31 a) If the costs for Interconnection Studies are reimbursed by the direct beneficiaries, why are
32 they included in Core Costs?
33 b) What happens if the Interconnection Study costs are incurred in a different fiscal year than
34 when the direct beneficiaries provide payment?
35
36

1 **Request IR-9**

2 Refer to M13007, Exhibit N-1, Application, Page 31 of 48, Lines 12-15

- 3 a) There is reference to carrying costs for under-recovery, but what would happen if there was
4 over-recovery?

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6 **Request IR-10**

7 Refer to M13007, Exhibit N-1, Application, Page 33 of 48, Line 11:

- 8
9 a) What fiscal year is being referred to – IESO-NS' or the LSE's?
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11

12 **Request IR-11**

13 Refer to M13007, Exhibit N-1, Application, Page 34 of 48, Lines 8-9

- 14
15 a) If the payments are made by LSEs based on forecasted load, should the true-up not also be
16 based on forecasted load? Or is the true-up referred to here, with respect to over or under
17 recovery, intended to take place after the LSEs have provided their actual load and the true-
18 up in that area has already been completed?
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20

21 **Request IR-12**

22
23 Refer to M13007, Exhibit N-1, Application, Page 45 of 48:

- 24
25 a) Please explain the difference between Request 3, Lines 3-4 and Request 1, Lines 15-17,
26 where Request 3 states:

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28 An effective date of December 1, 2026, or as soon as the Board's decision may
29 reasonably permit, and an end date of March 31, 2027

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31 and Request 1 states:

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33 Directing the LSEs noted above to begin paying, no later than December 31, 2026,
34 monthly payments to IESO Nova Scotia in the amount described above, exclusive
35 of applicable taxes, with such payments being made effective December 1, 2026.
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- 37 b) On Lines 9-12, it refers to fees as noted in Figures 12 and 13 above, but Figures 12 and 13
38 on Page 36 of 48 refer to Option 2 and timing, not fees. Please confirm if that is the correct
39 reference.
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