

File Reference: SM002557-00302

Nancy G. Rubin, K.C.
Direct Dial: 902.420.3337
nrubin@stewartmckelvey.com

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Delivered by Email

Crystal Henwood
Regulatory Affairs Officer/Clerk
Nova Scotia Energy Board
3rd Floor, 1601 Lower Water Street
PO Box 1692, Unit M
Halifax, NS B3J 3S3

Dear Ms. Henwood:

Re: M13133 – Application by Nova Scotia Power Incorporated for Approval of a Financing Order Authorizing the Securitization of \$1 Billion in Costs

We write on behalf of The Industrial Group (the “IG”) to seek the Board's clarification on several procedural matters arising from the Hearing Order issued October 13, 2026, and NSPI's Technical Conference held yesterday, October 15, 2026.

THE TWO-STEP PROCESS

In section 10.0 of the Application, p. 37, NSPI requested:

[T]hat the Financing Order become effective upon issuance by the Board and the Securitization Rider be approved on an interim basis effective January 1, 2027 to commence collection of the Securitized Surcharge. This will allow the Securitization Rider to be trued up to account for the conclusion of a regulatory process established by the Board to determine the appropriate final cost of service treatment (i.e. allocation) of the Securitized Surcharge. NS Power anticipates that such a process may reasonably require more than 60 days.

The IG understands that it is NSPI's intent that the Board will consider the application in two phases: first, an initial decision on the Financing Order, with a rider approved on an interim basis effective January 1, 2027 with the initial interim Securitized Surcharge confirmed after the final Bond terms are established; and second, a further process to determine certain matters on a final basis, including the cost-of-service treatment of the “buckets” of securitized costs and their allocation among customer classes.

The IG notes that this approach appears consistent with the structure contemplated by the *Financing Orders and Securitized Bonds Regulations*, which contemplate that the Board may grant interim approval of the allocation of securitized surcharges among customer classes pending final approval, while retaining the ability to approve a different allocation for implementation by the electric utility.

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- (a) approval of the implementation of the securitized surcharge “may be granted on an interim basis with respect to the proposed manner of allocating securitized surcharges between customer classes, pending final approval by the Energy Board of the allocation” (s 4(a)(i)); and
- (b) a financing order must include if the Energy Board granted an interim approval of the allocation of securitized surcharges between customer classes, the ability for the Energy Board to provide a final approval setting forth a different allocation (s 5(1)(j)).

As the scope of this process will inform how parties participate in the current paper hearing and the extent of IRs, the IG respectfully requests clarification from the Board which matters the Board intends to determine under the current procedural schedule and which matters it intends to defer to the second phase (or a separate cost allocation proceeding).

For example, in Figure 1, NSPI has summarized the “buckets” it proposes to securitize, totaling \$1 billion. It is unclear to the IG whether NSPI seeks final approval of each of those “buckets”, along with the amount of each bucket’s costs, or whether this is part of the interim approval, with final approval of the buckets, the costs and the allocation of each bucket to be determined in the second proceeding.

Specifically, the IG requests clarification regarding the following matters, and whether they are in scope for the present proceeding:

- whether the full \$1 billion is indeed required, or whether a lesser value is appropriate; and
- whether each of the “buckets” intended to be securitized as the basis for the financing are appropriate, whether some proposed should be excluded from securitization, and whether other items should be included.

Scope of Information Requests

The IG also respectfully requests clarification regarding the permissible scope of Information Requests directed to NSPI. In particular, the IG asks whether Information Requests in the first phase must be confined to matters necessary to assess the reasonableness of the proposed Financing Order, i.e., the “buckets” and the \$1 billion total, (or such lesser amount as argued by the parties) or whether they may also address such matters as the following:

- cost classification and allocation for interim or final approval;
- future approaches to re-allocation and triggers for such re-allocations (e.g., changes in load or class composition); and
- responsibility for the securitized costs for above-the-line versus below-the-line customers.

In the IG’s view, permitting Information Requests on the full Application in the first phase, with a further round of Information Requests, if necessary, in the second phase, would support an efficient and complete record.

Opportunity to File Evidence Under the Current Schedule

The Hearing Order provides for evidence from Board Counsel's consultants on November 9, 2026, written submissions from interested parties on November 18, 2026, and NSPI's written reply submissions on November 25, 2026. The schedule does not provide Intervenor's an opportunity to file evidence.

From the IG's perspective, the need for intervenor consultant evidence will depend, in part, on the scope of this Phase 1 application, and on NSPI's responses to IRs. The IG respects the abbreviated timeline mandated by the Regulations and is simply raising this now as a matter of procedural fairness.

I anticipate that other participants may also have views regarding this requested clarification. We would be pleased to address any questions the Board or Board Counsel may have.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Nancy G. Rubin', followed by a horizontal line.

Nancy G. Rubin, K.C.

NGR/cj

c. Participants in M13133