

NOVA SCOTIA ENERGY BOARD

**IN THE MATTER OF:** *The Public Utilities Act*, R.S.N.S. 1989, c.380, as amended

**IN THE MATTER OF:** **An Application by Nova Scotia Power Inc.** for approval of a financing order authorizing the securitization of \$1 billion in costs, collected through a Securitization Cost Recovery Rider

**INFORMATION REQUESTS**  
**(NON-CONFIDENTIAL)**

**To:** **Blake Williams**  
**Vice President, Legal and Regulatory**  
**Nova Scotia Power, Inc. (NS Power)**

**From:** Small Business Advocate

**Responses Due:** October 29, 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](mailto:mmacadam@blackburnlaw.ca)**

Issued at Bedford, Nova Scotia on this 22<sup>nd</sup> day of October, 2026

1 **Request IR-1:**

2 Please refer to M13133, Exhibit N-1, NS Power Application for a Financing Order to Reduce Costs  
3 for Customers (the “Application”) Figure 1: Summary of Securitized Costs (\$ million), Page 10 of  
4 51, Line 17:

- 5
- 6 a) When does NS Power anticipate filing its next GRA and for what years?
- 7
- 8 b) When will the Base Cost of Fuel (BCF) for 2028 be reset and will it take into account any  
9 prepayment related to the Securitized Bond, if approved?
- 10
- 11 c) Would limited approval of certain other securitized costs included in Figure 1 besides FAM  
12 and thermal assets, resulting in a lower amount for Securitization Bond Proceeds, affect  
13 plans to reset the BCF for 2028 and add to the current BCF under-recovery?
- 14
- 15 d) Refer to the Application, Page 10 of 51, Figure 1, Footnote 1 and confirm how soon after  
16 receiving Board approval for this Application will NS Power reclassify the balance for the  
17 Thermal Assets to the Securitization Regulatory Asset and reduce Property, Plant &  
18 Equipment and when is the first time that intervenors can expect to see a major filing that  
19 reflects each of these two adjustments?
- 20

21 **Request IR-2:**

22 Please refer to Exhibit N-1, the Application, Page 13 of 51, Lines 13-16:

- 23
- 24 a) How did NS Power determine that an additional prepayment of approximately 2 to 3  
25 percent of annual fuel costs (valued at \$23.2 million) was appropriate for the application  
26 and which of the factors listed are the major drivers for this estimate?
- 27

28 **Request IR-3:**

29 Refer to Exhibit N-1 the Application, Section 3.1, Figure 3 Estimate of Upfront Financing Costs,  
30 page 20 of 51, line 13, which includes \$825,000 for Rating Agency Fees, and Figure 4. Estimate  
31 of Ongoing Financing Costs, page 21 of 51, line 15, which includes Rating Agency Surveillance  
32 Fees of \$31,500 for Year 1 and a total of \$1,250,000, and answer the following:

33

- 34 a) Please provide a clear explanation, along with the arithmetic formula, to show the reduction  
35 in estimated financing costs (for 2027 and the Estimated Ongoing Financing Costs – Total)  
36 by not including \$31,500 for recovery through the Securitized Surcharge as mentioned in  
37 Footnote 1 to Figure 4.
- 38

- 1 b) What is included in the Rating Agency Fees in Figure 3 and what is included in the Rating  
2 Agency Surveillance Fees in Figure 4?  
3
- 4 c) What services are performed in return for payment of the Rating Agency Surveillance Fees  
5 and for whom, i.e., please confirm if the services are performed for entities other than or  
6 in addition to NS Power.  
7
- 8 d) Is there a regulatory maximum that can be charged for Rating Agency Surveillance Fees?  
9
- 10 e) How did NS Power select its financial advisor(s) for the estimate of the Total Securitization  
11 Bond Proceeds requested in this Application?  
12
- 13 f) Does NS Power know of any other Canadian electric utility that has paid Rating Agency  
14 Surveillance Fees for either the utility itself or its bond issuances?

15  
16 **Request IR-4:**

17 Please refer to Exhibit N-1 the Application, Page 20 of 51, Figure 3, Estimate of Upfront Financing  
18 Costs which includes a Capital Reserve Account Funding of 0.5% of the principal amount of  
19 \$12,500,000, or \$5,000,000. This figure is preceded by NS Power's statements, at Lines 3-5 and  
20 7-8, that the Capital Reserve Account Funding will be held in cash and classified as Restricted  
21 Cash and approval will be sought to create a regulated liability to defer the revenue collected  
22 associated with the principal portion of the Capital Reserve Account.  
23

- 24 a) Which party holds title to the \$5,000,000 in funding in the Capital Reserve Account? If  
25 not NS Power, which party and what process is used to confirm access to or draw downs  
26 from this account and where will this be reported?  
27
- 28 b) By how much and how often can this reserve amount change over time?  
29

30 **Request IR-5:**

31 Refer to Exhibit N-1, the Application, Section 5.0 Net Present Value Comparison, page. 24 of 51,  
32 lines 11-14, which states:  
33

34 The Company's financial advisor for the transaction has recommended against publicly  
35 disclosing the base case financing rate because the Securitized Bonds represent a new  
36 product in the Canadian market, and disclosure of an assumed financing rate could  
37 influence market pricing expectations and potentially prejudice the rate ultimately achieved  
38 at issuance.  
39

- 1 a) Why does the financial advisor consider Securitized Bonds to be a new product in the  
2 Canadian market?  
3  
4 b) Has NS Power confirmed the size of the market for securitized bonds for any Canadian  
5 firm – not just NS Power and not just an electric utility – and if so, please describe the  
6 support for your finding.  
7  
8 c) Does NS Power hold the view that this application represents such a new product in the  
9 Canadian market that it could result in no interest on the part of investors?  
10  
11 d) Does NS Power anticipate interest on the part of investors only within Canada or interest  
12 from investors in other countries as well?  
13  
14 e) Under what market conditions would NS Power withdraw the issuance of this bond?  
15

16 **Request IR-6:**

17 Refer to Exhibit N-1, the Application, Appendix G-1 (Redline) page. 14 of 86, Small General  
18 Tariff (Rate Code 10) page 1 of 2, the Securitization Cost Recovery Rider language defining its  
19 applicability which states:  
20

21 **SECURITIZATION COST RECOVERY RIDER**

22 **Securitization Cost Recovery charges or credits (in cents per kilowatt-hour) applicable to**  
23 **the Tariff for the current rate year, shown in the Securitization Cost Recovery Rider, shall**  
24 **apply, in addition to the energy charge. (Underline added)**  
25

- 26 a) If the Securitization Cost Recovery Rider (SCRR) is to be charged per kilowatt-hour  
27 (kWh), what is the likelihood that customers who receive service on a tariff rate with no  
28 minimum amount required to be billed may not pay anything, or provide a very minimal  
29 contribution, for the SCRR but will still receive the benefit from Securitization in the form  
30 of NS Power's lower revenue requirement going forward?  
31  
32 b) How many customers by customer class are on tariffs with no minimum bill requirement?  
33

34 **Request IR-7:**

35 Refer to N-1, the Application Section 2.3 PHP Deferral, page. 14 of 51, lines 10-13, which states:  
36

37 This forecast reflects the actual deferral account balance as at August 30, 2026, the forecast  
38 deferrals from September 1, 2026 through December 31, 2026 based on the Company's Q3

1 Forecast, and accrued interest calculated at the Bank of Canada policy rate plus 1.75  
2 percent.

- 3  
4 a) How does the proposed interest rate compare to NS Power's observation in Sec. 11.7, page  
5 42 of 51, lines 10-19, that "the issuance be permitted to proceed so long as the transaction  
6 reflects prevailing interest rates".  
7

8 **Request IR-8:**

9 Refer to N-1, the Application, Section 10.0 Effective Date and Termination, page. 37 of 51, lines  
10 10-24, which states:

11  
12 Once the final terms of the Securitized Bonds have been established, NS Power will file an  
13 issuance advice letter with the Board confirming the bond terms. The initial Securitized  
14 Surcharge shall be final and effective upon the issuance of the Securitized Bonds,  
15 consistent with section 5(1)(h) of the Securitization Regulations.  
16

17 Consistent with section 7(1) of the Securitization Regulations, the Financing Order shall  
18 become irrevocable upon the earlier of either the transfer of Securitized Property to the  
19 Assignee or the issuance of the Securitized Bonds. Upon becoming irrevocable, the  
20 Financing Order may not be amended, modified, or terminated by any subsequent action  
21 of the Board, except for adjustments made pursuant to the Formula-based True-up  
22 Mechanism described in Section 9.0.  
23

24 The Financing Order and the Securitized Surcharge shall remain in effect until all  
25 Securitized Bonds issued under the Financing Order have been paid in full or defeased, and  
26 all Board-approved Financing Costs have been recovered in full, consistent with section 9  
27 of the Securitization Regulations.  
28

- 29 a) Did NS Power use the term "defeased" on line 22 of the above quote to differentiate or  
30 limit the options for disposition of the Securitized Bond(s) other than through resale or  
31 assignment? If so, please provide a plain language definition of "defeased" in this context.  
32  
33 b) Are there any changes in regulatory or market conditions that could reasonably cause NS  
34 Power to refinance the Securitized Bond or transfer ownership of it to a third party and if  
35 so, what steps would be involved to do this?  
36  
37 c) How would the Indemnity Agreement described in Exhibit N-1, the Application, Section  
38 11.8, page 42, lines 21-30 and page 43, lines 1-2, restrict the ability to transfer ownership  
39 of the Securitized Bond?  
40

- 1 d) Will NS Power share a copy of the Securitized Bond terms and conditions with all parties  
2 before finalizing this financing transaction?

3  
4 **Request IR-9:**  
5

6 Please refer to Exhibit N-1, the Application, Section 2.4 IESO Deferral, page. 15 of 51, lines 3-9,  
7 which sets out the proposed deferral of the IESO-NS account, including the actual deferral amount  
8 up to Augst 20, 2026 and the forecasted deferral amount from September 1, 2026 to March 31,  
9 2027. The proposed IESO-NS deferral amount includes costs from the 2025/2026 and 2026/2027  
10 Revenue Requirements for IESO-NS, as approved by the Board.  
11

- 12 a) In the Board's February 25, 2026 decision addressing IESO-NS's Application for approval  
13 of its proposed expenditure and revenue requirement for the test year ending March 31,  
14 2026 (M12412) the Board states at page 21, Paragraph 49 that IESO-NS must provide an  
15 explanation of category variances of +/- 10% and must justify any cost overruns. The Board  
16 refers to that being done as part of IESO-NS's annual revenue requirement and fee  
17 application. If there is a finding regarding cost overruns with respect to the 2025/2026  
18 period, for which the amount has already been securitized, how will that be addressed?  
19
- 20 b) At this point, no order has been issued by the Board in relation to IESO-NS' 2026/2027  
21 Revenue Requirement and Fees Application (M12663). What happens if the amount that  
22 is approved by the Board in relation to that the application is less than what has been  
23 included in the Securitized Assets? What is the impact if that Decision is issued before or  
24 after the bond has been issued?  
25

26 **Request IR-10:**  
27

28 As part of IESO-NS's 2027/2028 Fee Recovery Mechanism Application (M13007), IESO-NS is  
29 proposing for IESO-NS' collection 2025/2026 and 2026/2027 Fees (including the \$950,000/month  
30 paid by NS Power from February to November 2026) to be paid by the load serving entities  
31 between December 31, 2026 and March 31, 2027<sup>1</sup>.  
32

- 33 a) If NS Power has already securitized the amounts for IESO-NS' fees for 2025/2026 –  
34 2026/2027, would there be any costs remaining outstanding that IESO-NS would need to  
35 collect arising from the same period of time (ie up to March 31, 2027)?  
36
- 37 b) If the costs set out by IESO-NS, in its M13007 filing, are to be allocated to load serving  
38 entities other than NS Power, how will those costs that have already been securitized be  
39 reimbursed to ratepayers from the other load serving entities?  
40

---

<sup>1</sup> M13007, Exhibit N-1, IESO-NS's 2027/2028 Fee Recovery Mechanism Application, Page 39 of 48, Lines 19-22 and Page 40 of 48, Lines 1-8.

- 1 c) What happens if there is an adjustment to the amounts charged for the 2026/2027 costs,  
2 either due to a change in load usage by different load serving entities, or due to the addition  
3 of a new load serving entity, such that the costs to NS Power on behalf of its customers is  
4 reduced for that period of time?  
5  
6 d) What would be the extra interest and financing costs incurred by customers if there are fees  
7 securitized that are later deemed not to be owed by NS Power customers, either due to the  
8 Board's order for 2026/2027 being different than what has been applied for, or due to a  
9 change in the allocations between load serving entities?

10  
11 **Request IR-11:**  
12

- 13 a) Please refer to Exhibit N-1, the Application, Page 13 of 51, Lines 8-10 and confirm that  
14 the referenced prepayments of \$41.7M and \$23.2M will earn WACC in the FAM Account.  
15  
16

17 **Request IR-12:**  
18

- 19 a) Please refer to Exhibit N-1, the Application, Page 22 of 51, Lines 12-13 and confirm that  
20 the statement "In future GRAs, NS Power will include a revenue credit of the servicing  
21 fees that NS Power collects as a servicer of the Securitized Bonds" means that NS Power  
22 will reduce each future revenue requirement application by \$500,000 for the period that  
23 the securitization bond is in place.  
24  
25  
26  
27  
28