

NOVA SCOTIA ENERGY BOARD**IN THE MATTER OF:** *The Public Utilities Act*

- and -

IN THE MATTER OF: The Financing Orders and Securitized Bonds Regulations

- and -

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for approval of a financing order authorizing the securitization of \$1 billion in costs, collected through a Securitization Cost Recovery Rider**INFORMATION REQUESTS****To:** Nova Scotia Power Incorporated ("NSPI")**From:** The Industrial Group**Responses Due:** October 29, 2026**Contact Person** Nancy G. Rubin, K.C.
 Brienne Rudderham
 Stewart McKelvey
 Suite 600-1741 Lower Water Street
 P.O. Box 997
 Halifax NS B3J 2X2
 Telephone: (902) 420-3200 / Fax (902) 420-1417Issued at Halifax, Nova Scotia, this 22nd day of October 2026.**Request IR-1:**

Please provide the presentation from the October 15 Technical Conference if not already on the record.

THERMAL ASSETS (\$740.6 MILLION)**Request IR-2:****Reference:** N-1, Application, sections 2.1–2.2, 3.0 and 5.0; Appendix B (Confidential).

- (a) Please provide an alternative securitization scenario in Excel format similar to Appendix B limited to the thermal assets and associated deferred financing costs identified in section 2.1, together with the necessary upfront financing costs and reserve funding. Identify the total issuance required and whether this scenario could be accommodated within a \$750 million bond issuance. In providing an updated Appendix B, identify any “Traditional Recovery” changes to make the comparison on an NPV basis.
- (b) Please provide a version of Appendix D with this alternative securitization scenario.
- (c) Please explain and quantify any financial or capital-market implications of issuing approximately \$750 million rather than \$1 billion, including effects on investor demand, market liquidity, credit rating, interest rate, issuance costs and transaction feasibility.
- (d) Please quantify the additional or reduced financing or issuance costs, if any, attributable to the smaller issuance and compare these with the customer benefits or costs of excluding the non-thermal components. Identify the interest-rate premium or other assumptions at which the thermal-only scenario would cease to provide net present value benefits relative to conventional recovery.
- (e) Please provide all advice, analyses, presentations and correspondence received from NSPI’s financial advisors concerning the optimal issuance size, including any recommendation that the issuance be set at an even or round number amount.
- (f) During the technical conference for this matter, NSPI indicated that other issuance amounts may be “doable.” Please explain precisely what NSPI means by “doable” and identify any market, pricing, liquidity, rating, execution or other constraints or trade-offs associated with each alternative issuance size.
- (g) Please provide NSPI’s analysis of alternative Securitized bond issuance sizes of approximately \$800 million, \$850 million, and \$900 million. For each issuance size, provide the assumed bond pricing, yield, term, investor

demand, liquidity, underwriting and other financing costs, annual revenue requirement, customer-class rate impacts and NPV customer costs or benefits. Identify all assumptions that differ by issuance size.

Request IR-3:

Reference: N-1, Application, page 11, lines 29-31.

"Using this date [December 31, 2025] ensures that costs currently recovered through customer rates are excluded from the securitized amount, thereby avoiding duplication of recovery."

And page 37, lines 3-4 and lines 11-12:

"NS Power requests that the Securitization Rider be approved on an interim basis effective January 1, 2027...The initial Securitized Surcharge shall be final and effective upon the issuance of the Securitized Bonds"

(a) Please confirm NSPI's current anticipated date (or range of dates) for the issuance of the Securitized Bonds.

(b) Explain why the December 31, 2025 valuation date was used given the gap between that date and the anticipated bond issuance date.

(c) Please confirm whether any true-up to actual December 31, 2025 net book value (as opposed to a forecast) has occurred or will occur prior to the transfer of the Securitized Property.

Request IR-4:

Reference: N-1, Application, page 12, Figure 2: Unrecovered Net Book Value of the Thermal Assets.

(a) Please confirm whether the \$713.0 million net book value figure reflects any updates to depreciation, retirements, or capital additions relating to the DDA Assets since the amounts were last reviewed by the Board in the 2026-2027 General Rate Application (M12451).

(b) If any such updates have occurred, please quantify them by asset and explain the reason for each change.

1 **Request IR-5:**

2 **Reference:** N-1, Application, Appendix H, '2027 Securitization Rider Therm' tab, cells D4
3 – F4 & N-92, SR-01 Attachment 3, page 7 of 102 & Exhibit N-92 from M12451, SR-01
4 Attachment 3, page 7 of 102.

5 **Preamble:** The System Load Factor has changed to 45.8% demand/54.2% energy from
6 48.19% demand/51.81% energy in the 26/27 GRA Compliance Filing (M12451)

7 (a) Please explain and reconcile any differences in the calculation of the 2027
8 system load factor and resulting Demand/Energy classification between
9 the 2026/27 GRA Compliance Filing (Exhibit N-92, dated April 8, 2026) and
10 the current Application. Please identify and explain any changes to the
11 underlying inputs, assumptions or methodology causing this change.

12 (b) Please explain whether the proposed securitization of thermal assets
13 results in any changes to the system load factor calculation or its
14 application to the classification of generation-related costs. If so, please
15 provide the supporting calculations and explain the rationale for these
16 changes.

17 (c) Please provide a revised version of Appendix D (Rates by Component
18 Table) and Appendix H (Allocation of Securitization Revenue Requirement
19 to Customer Class), in Excel format, using the 2027 system load factor and
20 resulting Demand/Energy classification from the GRA Compliance Filing
21 (Exhibit N-92), holding all other assumptions constant.

22 **FUEL AND PURCHASED POWER (\$214.5 MILLION)**

23 **Request IR-6:**

24 **Reference:** N-1, Application, page 13, lines 4-6; and Appendix C Attachment 3, tab "BA
25 Calculations."

26 *"The forecast September 30, 2026 under-recovery of \$149.6 million consists*
27 *of actual balances through August 31, 2026 and forecast under-recovery of*
28 *fuel costs for the month of September 2026. A detailed breakdown of the*
29 *balance is provided in Appendices A and C."*

Preamble: Appendix C Attachment 3 (tab "BA Calculations") shows the "FAM BA Calculations for the 12-Month Period Ending September 30, 2026" by rate class, resulting in a Total FAM Rate Classes "2027 FAM BA as of Sept. 30, 2026" balance of \$69,135,530. This figure does not, on its face, reconcile to the \$149.6 million forecast FAM Asset Receivable referenced above.

(a) Please provide a complete reconciliation from the \$69,135,530 BA balance (and the corresponding FAM AA balance) shown in Appendix C Attachment 3 to the \$149.6 million figure in the Application, identifying each additional component (e.g., forecast September 2026 fuel cost under-recovery, FAM AA balance, interest) that bridges the two figures, cross-referenced to the relevant lines (or cells) of Appendix A and Appendix C.

(b) Please provide the actual fuel and purchased power for September 2026 and indicate if it differed from the forecasted under-recovery.

(c) With respect to the forecast under-recovery of \$41.7 million, what is the date of the forecast on which this is based and what assumptions have been made with respect to fuel modelling?

Request IR-7:

Reference: N-1, Application, page 17, lines 20-23

Furthermore, if the Unrecovered Fuel Costs are not securitized, they will need to be collected through the existing FAM process, which, for only those costs up to the end of September 2026, would result in significant rate increases for customers, anticipated to be in the range of 7 to 8 percent for 2027.

(a) Please provide all workpapers to derive the 7-8% rate increases referenced above and provide a table, by customer class of the rate increase.

(b) If the requested Financing Order were not approved, please state the applications and recovery proposals NSPI would presently expect to make for 2027, 2028 and 2029, including the amount, recovery period, carrying-cost treatment and expected average and customer-class rate impact of each proposal.

(c) Please confirm:

(i) That it would remain open to NSPI to propose and the Board to approve a smoothing of rate impacts if determined to create rate shock?

(ii) As a term of the GRA Settlement Agreement, approved by the Board, it was explicitly contemplated that smoothing of FAM rider impacts would be supported: "Recognizing the forecast impacts of the 2026 FAM AA/BA for the Large and Medium Industrial Classes, NS Power will support efforts in the 2026 FAM AA/BA proceeding to smooth or mitigate the overall impact of rate changes for the 2026-2027 test period."

(iii) The calculated customer class FAM riders for 2026, had NSPI applied for rider approval in the regular course.

Request IR-8:

Reference: N-1, Application, page 13, lines 8-16 and lines 22-28.

"NS Power's Q3 Forecast includes a forecast Fuel Adjustment Mechanism (FAM) under-recovery of \$41.7 million, before interest, in Q4 2026 and 2027. The \$64.9 million FAM prepayment consists of this forecast under-recovery together with an additional prepayment of \$23.2 million. The inclusion of the additional \$23.2 million prepayment increases the total securitization issuance to \$1 billion, supporting a more efficient execution of the Securitized Bond issuance in the capital markets. The additional prepayment represents approximately 2 to 3 percent of annual fuel costs and provides a buffer against fuel cost volatility arising from factors such as commodity prices, foreign exchange rates, the timing of renewable generation additions to the system, generation mix, system conditions, and customer demand."

"The Securitization Regulations define Unrecovered Fuel Costs as under-collected amounts for the total cost of fuel and purchased power incurred by NS Power that have accumulated as a balance owing by customers to NS Power, as well as pre-paid costs of fuel and purchased power to be incurred by NS Power. Accordingly, both the forecast \$149.6 million... as well as the proposed \$64.9 million prepayment of future forecast fuel and purchased power costs constitute[s] Unrecovered Fuel Costs within the meaning of the Securitization Regulations."

(a) Please explain, in detail and by reference to specific authority under the Securitization Regulations or otherwise, the basis on which NSPI considers the \$23.2 million "additional prepayment" (as distinct from the \$41.7 million

forecast under-recovery) to constitute "pre-paid costs of fuel and purchased power to be incurred by NSPI," given that this amount does not correspond to any specific, identified, forecast fuel or purchased power cost, by customer class, but is instead described as a general "buffer against fuel cost volatility."

(b) Please explain how NSPI determined that \$23.2 million, rather than some other amount, was the appropriate size for the buffer. Please provide all workpapers, sensitivity analyses, or other analyses performed to arrive at this figure, including any analysis of historical FAM variance that informed the quantum.

(c) Please confirm whether the quantum of the additional prepayment was a fallout from a \$1 billion round-number issuance size, rather than being independently derived from a forecast or quantified risk of fuel cost volatility.

(d) Please explain specifically what transaction-efficiency benefit (e.g., in basis points of yield, liquidity premium, or underwriting fee) NSPI or its financial advisors attribute to reaching a \$1 billion issuance as opposed to an issuance of approximately \$976.8 million or some lesser round number and provide any supporting analysis received from financial advisors.

(e) Please identify the financial advisor(s) who recommended inclusion of the \$23.2 million additional prepayment, and produce any written advice, analysis, or correspondence from those advisors recommending or supporting this component of the Application.

Request IR-9:

Reference: N-1, Application, page 13, line 17.

"The inclusion of the additional \$23.2 million prepayment...provides a buffer against fuel cost volatility...The application of this additional balance to the FAM will assist in moderating fuel rate impacts when fuel rates are reset for the 2028 period."

(a) In describing a "buffer", is NSPI speaking here of both the forecasted under-recovery of \$41.7 million and the "prepayment" of \$23.2 million or

just the latter? Please explain.

(b) Please explain and quantify the cost to customers of financing the \$23.2 million additional prepayment through 30-year Securitized Bonds (including principal, interest, and allocated financing fees over the life of the bonds) as compared to simply allowing this amount to be addressed, if and when it materializes as an actual under-recovery, through the ordinary annual FAM adjustment process. Please provide all workpapers and show this comparison on a net present value basis.

(c) Please confirm whether the additional \$23.2 million prepayment increases NSPI's income, cash flow, or liquidity position prior to any actual fuel cost being incurred, and if so, please quantify this benefit.

(d) While NSPI has described the \$23.2 million as a "buffer" against fuel cost volatility, please confirm that it also operates as a reconciling line for forecast-to-actual variance from at least three sources: the IESO Deferral, the PHP Deferral, and Upfront Financing Costs. If not confirmed, please explain.

Request IR-10:

Reference: N-1, Appendix C, Figure 3 (pg. 6) and Figure 5 (pg. 8)

Preamble: Figures 3 and 5 show that no collections through AA riders have occurred to FAM balances for 2026 (January to September).

(a) Please explain the basis for deferring recovery and identify the applicable Board approval that accepted this, if any.

(b) By customer class, quantify the effect on the September 30, 2026 balances proposed for securitization, separately identifying deferred collections and additional interest, relative to recovery through AA riders during 2026. Please specify the recovery timing and rider assumptions used and show how the deferral affects each class's share of the balance proposed for securitization.

1 **Request IR-11:**

2 **Reference:** N-1, Appendix C, Figure 6 (pg. 11), and pages 12 – 13.

3 **Preamble:** Figure 6 shows that the Large Industrial (both Firm and Interruptible) portion
4 of the Balancing Adjustment (BA) for under-recovered FAM costs is 25.5% of total (\$17.6
5 million of \$69.1 total). The Actual Adjustment (AA) is 9.4% of total (\$7.6 million of \$80.5
6 million total). Appendix C Attachment 1 (Confidential) provides aggregate balance
7 calculations and class-level rider collections but does not show the complete class-level
8 reconciliation producing the BA balances in Figure 6.

- 9 (a) Please provide the class-level calculations supporting the BA balances in
10 Figure 6, reconciling separately the historical AA under-recoveries, BA
11 credits, collections, other adjustments and interest comprising Figure 5.
12 Please provide the calculations in Excel with formulas intact.
- 13 (b) Using the reconciliation requested in (a), please identify and quantify the
14 principal reasons Large Industrial's share of the BA balance substantially
15 exceeds its share of the AA balance, separately identifying the effects of
16 allocated fuel costs, BCF revenues, historical collections and offsetting
17 credits.
- 18 (c) Please identify the allocation basis and applicable Board approval for each
19 material historical credit or adjustment contributing to this difference and
20 explain whether those amounts were allocated on the same basis as the
21 under-recoveries they offset.
- 22 (d) For each customer class, please provide a breakdown of the \$149.6 million
23 FAM AA/BA balance, including allocated fuel and purchased power costs,
24 fuel revenues recovered through base rates, adjustments, interest, and the
25 resulting under- or over-recovery. Please provide supporting calculations
26 in Excel format.
- 27 (e) Please identify and quantify the extent to which the Large Industrial Firm
28 and Interruptible balances are attributable to differences between forecast
29 and actual energy consumption, fuel and purchased power costs, demand
30 allocation factors, historical rate-setting decisions, and accumulated

1 interest.

2 (f) For the under-recovered FAM balance as of September 30, 2026, please
3 confirm whether energy-related costs underlying the AA balance are
4 allocated to rate classes separately for each month using that month's
5 losses-adjusted class energy requirements, or whether monthly energy
6 requirements are aggregated over the AA period to determine class
7 allocation shares applied to the period's total energy-related costs.

8 (g) For the under-recovered FAM balance as of September 30, 2026, please
9 explain whether the BA balances retain the class allocations established
10 when the underlying costs arose or are subsequently reallocated. If
11 subsequently reallocated, please identify when the reallocation occurs and
12 the allocation period and basis used.

13 **Request IR-12:**

14 For the proposed recovery of the \$149.6 million under-recovered fuel balance, allocated using
15 customer classes' shares of balances as of September 30, 2026, please explain how the closure
16 of a large industrial customer or the addition of a large industrial customer would affect the
17 amounts recovered from the remaining customers in the Large Industrial class and/or other
18 classes.

19 **Request IR-13:**

20 **Reference: N-1, Appendix C, Attachment 1 (Confidential).**

21 Please provide an instructional explanation of this Excel attachment which describes the purpose
22 of each worksheet and principal table, the key inputs and calculations, and how the worksheets
23 link together to derive the AA/BA balances reported in Appendix C, Figures 3–6. Please
24 distinguish input data, intermediate calculations and final outputs, and identify any worksheets or
25 tables that are historical or not used in the current calculations.

26 **Request IR-14:**

27 **Reference: N-1, Appendix H, '2027 Securitization Rider Fuel' tab & Application, Exhibit**
28 **N-1, page 13 of 51.**

29 (a) Please explain the rationale behind not including ELID/PHP in the

allocation of the \$64.9 million prepayment of fuel and purchased power for the period of October 1, 2026 to December 31, 2027.

(b) Specifically explain why the ELID/PHP customer is not included in the allocation of proposed costs related to the \$23.2 million, included in the fuel prepayment category, explained as "additional" funds that may be used for other purposes as required (including for IESO and/or PHP variance).

(c) Please provide a version of Appendix D (Rates by Component Table) and Appendix H (Allocation of Securitization Revenue Requirement to Customer Class), that includes PHP/ELID in the prepayment of fuel and purchased power portion of securitization. To the extent adding PHP/ELID increases the overall securitization amount, reduce the \$23.2 million 'additional' prepayment accordingly.

PHP DEFERRAL (\$12.2 MILLION)

Request IR-15:

Reference: N-1, Application, page 14, lines 9-13; and Appendix A, tab "2 - PHP Deferral."

"The balance of the Port Hawkesbury Paper (PHP) Deferral account, forecast to be \$12.2 million as of December 31, 2026, is proposed for securitization. This forecast reflects the actual deferral account balance as at August 30, 2026, the forecast deferrals from September 1, 2026 through December 31, 2026 based on the Company's Q3 Forecast, and accrued interest calculated at the Bank of Canada policy rate plus 1.75 percent."

Preamble: Appendix A (tab "2 - PHP Deferral") computes a monthly "Revenue Variance (BTL - ATL)" between PHP's Below-the-Line and Above-the-Line rate schedules, split into "Fuel" and "Non-fuel" components, and then applies interest only to the "Non-fuel" variance (characterized as "Non-Fuel Costs subject to Deferral").

Please explain exactly what is included in the "Non-fuel" revenue variance and why the "Fuel" variance (totaling a forecast \$3.6 million per Appendix A) is excluded from the deferral and from securitization.

Request IR-16:

Reference: N-1, Application, page 14, lines 12-13; and Appendix A, tab "2 - PHP Deferral."

Preamble: The Application states the PHP Deferral interest is "calculated at the Bank of Canada policy rate plus 1.75 percent." Appendix A labels a "Policy interest rate - Bank of Canada - July 15, 2026" of 2.25 percent, held constant for the full forecast period, and separately references a "Cost of Financing" figure of 4.00 percent in the same worksheet.

(a) Please confirm the exact interest rate applied in the PHP Deferral calculation for each month from May 2026 through December 2026 and reconcile this to the stated "Bank of Canada policy rate plus 1.75 percent" methodology.

(b) Please confirm whether any changes in the Bank of Canada policy rate between July 15, 2026 and December 31, 2026 (actual or anticipated) have been or will be reflected in the calculation.

(c) Please explain the basis for using the Bank of Canada policy rate plus 1.75% as the carrying charge on the PHP Deferral account.

Request IR-17:

Reference: N-1, Application, page 14, lines 21-25.

"[A]ny difference between the forecast balance of \$12.2 million and the actual PHP Deferral account balance at December 31, 2026 be applied as an adjustment to the \$64.9 million FAM prepayment, with the offset recorded to the Securitization Regulatory Asset. This will be addressed through the Formula-based True-up Mechanism and Balancing Adjustment (BA) mechanism discussed in Section 9.0."

(a) Please explain, with a worked numerical example, exactly how an under- or over-estimate of the PHP Deferral balance flows through the BA1/BA2 formulas described in Section 9.0 (p. 36), including the customer class(es) that will bear or benefit from any such adjustment, and the timing (i.e., in which rate year) that adjustment will be reflected in rates.

(b) If PHP does not begin taking service as an ATL customer on January 1, 2027, please explain and quantify how this would affect the calculation of the PHP Deferral balance, including the forecast balance and any subsequent true-up.

(c) Please explain why any difference between the forecast and actual PHP

Deferral account balance as of December 31, 2026 would be applied as an adjustment to the FAM prepayment and addressed through the securitization true-up mechanism, rather than recorded and reconciled within the PHP Deferral account itself. In particular, explain whether this treatment changes the customer classes to which the variance is allocated, the applicable allocation methodology, or the timing of its recovery or refund.

Request IR-18:

Reference: N-1, Application, page 31, Figure 7: Securitization Rider for Below the Line (BTL) customer class in 2027.

Preamble: Figure 7, lists the Extra Large Industrial Dispatchable ("ELID") rate class as a BTL class, showing ELID with a Thermal Assets rider of 0.311 ¢/kWh and an IESO NS Deferral rider of 0.012 ¢/kWh, but a "-" (no rider) for both Fuel & Purchased Power and PHP Deferral.

(a) Please explain why Figure 7 classifies ELID as a Below-the-Line customer class for purposes of the 2027 Securitization Rider.

(b) Please explain why ELID is shown with no Fuel & Purchased Power Securitization Rider in Figure 7, given that a portion of the \$214.5 million Fuel and Purchased Power Securitized Costs (including the \$23.2 million additional FAM prepayment) relates to fuel and purchased power costs to be incurred in the future, at which time it is currently anticipated that the ELID/PHP will be an Above-the-Line customer.

(c) If any portion of the Fuel and Purchased Power Securitized Costs relates to fuel and purchased power expected to be incurred while the ELID class is taking service, please explain why that portion should not be charged to the ELID class through the Securitization Rider, consistent with the cost-of-service allocation methodology described in Section 6.2 of the Application.

1 **Request IR-19:**

2 **Reference: Matter M12661, ELID Application**

3 (a) Please confirm whether any of the matters in dispute in the ELID
4 application affect, or are expected to affect, the amount of the PHP Deferral
5 balance, the \$12.2 million forecast balance proposed for securitization in
6 this Application, or the \$214.5 million Fuel and Purchased Power
7 Securitized Costs. If so, explain.

8 (b) Are the balances proposed for securitization in this Application calculated
9 based on NSPI's as-filed ELID tariff design and billing determinants in
10 M12661? If not, please explain what assumptions regarding the ELID were
11 used.

12 (c) Beyond "facilitating the transition of PHP to an ATL tariff that would aid in
13 reducing fixed costs for customers" (p.16), is there any other basis on which
14 NSPI considers it appropriate for these deferred costs to be recovered from
15 customer classes through the Securitization Rider rather than directly on a
16 shorter timeline. Please explain.

17 (d) Please provide a NPV analysis of recovering the PHP Deferral over a 5
18 year term and a 10 year term versus recovery as part of the Securitization
19 Rider.

20 **IESO-NS DEFERRAL (\$20.2 MILLION)**

21 **Request IR-20:**

22 **Reference: N-1, Application, page 15, lines 3-8; and Appendix A, tab "3 - NSIESO**
23 **Deferral."**

24 *"The balance of the Nova Scotia Independent Energy System Operator*
25 *(IESO-NS) Deferral account, forecast to be approximately \$20.2 million, is*
26 *proposed for securitization. This forecast reflects the actual deferral account*
27 *balance as at August 30, 2026, the forecast deferrals from September 1, 2026*
28 *through March 31, 2027 based on the IESO-NS Fee Recovery Mechanism ...*
29 *which was filed on July 31, 2026, and accrued interest calculated at the*
30 *approved weighted average cost of capital (WACC) rate of 6.59 percent."*

31 (a) Please explain what will happen to the \$20.2 million forecast IESO-NS

1 Deferral balance (and the related Securitized Surcharge) if the Board's
2 determination in M13007 differs from the assumptions underlying the
3 current forecast.

4 (b) With respect to the forecasted \$20.2 million within the IESO-NS Deferral,
5 please confirm by month: (i) the opening principal balance; (ii) additions
6 and recoveries; (iii) the applicable interest rate; (iv) the interest calculation
7 methodology and accrual period; (v) the interest accrued; and (vi) the
8 closing balance.

9 (c) Does this deferral amount consider the under-spend reported by IESO-NS
10 for the fiscal year 2025-2026? If not, please explain.

11 (d) Please explain the rationale for requiring ratepayers to pay the full amount
12 of the accrued interest calculated at 6.59%, taking into account the Board's
13 Letter Decision in Matter M12663, dated February 25, 2026, including the
14 determination that *"Since this deferral has been made necessary because*
15 *of IESO Nova Scotia's lack of diligence in filing a fee recovery mechanism*
16 *for approval, ...the way the deferred costs are allocated to and recovered*
17 *from customers will need to be determined...final order...may include a*
18 *requirement that IESO Nova Scotia repays NS Power for any amounts*
19 *determined to have been overpaid, including NS Power's weighted*
20 *average cost of capital in respect of those amounts"*?

21 REASONS FOR INCLUSION AS SECURITIZED COSTS

22 Request IR-21:

23 **Reference:** N-1, Application, Section 2.5, pages 15 – 18;

24 **Preamble:** NSPI discusses its rationale for including the proposed costs in the
25 securitization transaction, including lower financing costs, intergenerational cost sharing,
26 rate stability and support for the Province's energy transition.

27 (a) Beyond the requirements of the Financing Orders and Securitized Bonds
28 Regulations, please identify and explain the established utility rate-setting
29 principles that NSPI considers relevant to its securitization proposal,
30 including Bonbright's rate-setting principles, cost causation,

intergenerational equity, the matching of costs and benefits, and the *used and useful* principle.

- (b) For each component of the proposed securitization (thermal assets and associated financing costs, under-recovered fuel and purchased power, future fuel prepayments, PHP Deferral and IESO-NS Deferral), please explain how the proposed securitization and 30-year recovery period are consistent with the principles identified in (a), particularly with respect to (i) the nature of the costs, (ii) the period in which benefits are received, and (iii) the customers responsible for their recovery.

Request IR-22:

Reference: N-1, Application, Section 6.4, page 28, lines 7-10; and M13007, IESO-NS (IG) IR-1, Attachment 1 (Illustrative NS Power Bill Impact Model).

"The total 2027 revenue requirement associated with the securitization of the IESO-NS Deferral is allocated to customer classes based on each class's forecast 2027 share of sales. This methodology is consistent with the approach the IESO-NS proposed for allocating recovery of its revenue requirement from the Market Participants, which is also based on sales."

Preamble: In the Fee Recovery Mechanism Application (M13007), IESO-NS's Illustrative NS Power Bill Impact Model, filed as N-4, IESO(IG) IR-1, Att.1, set out five alternative allocation options and identified, as a "con" of "Option 1: Energy Allocator" (the option NSPI has now adopted in this Application), that it is "inconsistent with allocation of costs when system operator was within NSP[I]", and "pro" for Option 5: System Load Factor for Generation, Demand for Transmission, that it is consistent with the method by which NSP allocates generation and transmission.

- (a) Please file a copy of the N-4, IESO (IG) IR-1, Refiled, Attachment 1 (in M13007) as part of this proceeding, and state if NSPI agrees with the illustrative fee recovery calculation. If not, please explain the errors and provide a corrected spreadsheet (if necessary).

- (b) Please confirm that IESO-NS's current responsibilities assumed from NSPI include system and transmission planning, resource procurement, dispatch and transmission operations, and reliability coordination. If not, please explain.

- (c) Please confirm the current Board-approved cost allocation methodology by which NSPI allocated the costs of performing those functions internally to customer classes, prior to the transfer of system operator functions to IESO-NS and whether this aligns with “Option 5” identified by IESO-NS.
- (d) Please confirm that NSPI views the current Board-approved allocation as consistent with cost causation and the relative use of, and benefits received from, these services by different customer classes.
- (e) Please explain why NSPI considers consistency with IESO-NS's chosen Market Participant billing methodology to be the governing consideration for cost-of-service allocation of IESO-NS costs among NSPI's customer classes.
- (f) If NSPI's rationale is that its customer-class charges should mirror the methodology by which IESO-NS bills NSPI, please explain why mirror pricing is an appropriate basis for NSPI's cost-of-service allocation? In particular please explain how allocating IESO costs to customer classes based solely on energy usage is consistent with cost causation principles and reflects the relative use of, and benefits received from, the generation, transmission, system-planning, procurement, dispatch, operational and reliability services provided by IESO-NS.
- (g) Please provide revised versions of Appendix D (Rates by Component Table) and Appendix H (Allocation of Securitization Revenue Requirement to Customer Class), in Excel format, that allocates the IESO-related securitization costs:
- (i) on the basis of system load factor;
 - (ii) on the basis of 3 CP (i.e. demand); and
 - (iii) on the basis of system load factor for generation and demand for transmission.
- (h) Please provide a collated table showing the \$20.2 million IESO-NS Deferral revenue requirement (and the resulting 2027 Securitization Rider, in cents per kWh and in total dollars) allocated to each of NSPI's customer classes,

under each of: the Energy Allocator methodology as proposed in the Application; and the allocations requested in (g) above. Include columns that quantify the dollar and percentage difference, by rate class, from the amount allocated under NSPI's proposed energy allocation methodology.

FINANCING COSTS

Request IR-23:

Reference: N-1 Application, Page 19, lines 15-19

Upfront Financing Costs include, but are not limited to, ...

What other possible costs could NSPI incur that are not listed? Please provide an estimate of the magnitude of these costs, and the source documentation that was used to estimate these figures.

Request IR-24:

Reference: N-1, Application, page 21, Figures 3 and 4; page 26; Appendix A, tab "5 - Financing Cost Schedule."

"The Upfront Financing Costs and Ongoing Financing Costs described in Sections 3.1 and 3.2 are allocated to the four securitization components in proportion to each component's share of the total Securitized Costs."

Preamble: Appendix A (tab "5 - Financing Cost Schedule") shows the \$1,000,000,000 Total Proceeds and itemizes the components of the \$12.5 million Upfront Financing Costs and the \$21,975,000 Ongoing Financing Costs but does not show the amounts after they are split among the four Securitized Cost components.

(a) Please provide a schedule showing the dollar amount of Upfront Financing Costs and Ongoing Financing Costs (by year) allocated to each of the four Securitized Cost components (Thermal Assets, Fuel and Purchased Power, PHP Deferral, and IESO-NS Deferral) under the pro rata methodology, and confirm the resulting portion allocated to each of customer classes.

(b) Please confirm that each of Underwriting Fees, Legal Fees, Rating Agency Fees, Accounting & Audit Fees, and Other Fees (totaling \$7,500,000) will be recorded as a Regulatory Asset distinct from the Securitization Regulatory Asset established for the \$987.5 million of Securitized Costs

and identify the specific account or asset name under which this \$7,500,000 will be recorded.

(c) Please confirm whether this \$7,500,000 Regulatory Asset will be amortized or recovered over the same 30-year period as the Securitized Bonds, or over some other period, and explain the basis for that recovery period.

(d) Please confirm whether the \$5,000,000 Capital Reserve Account Funding, classified as Restricted Cash, is recovered from customers through the Securitized Surcharge at all, and if so, explain the mechanism by which cash classified as Restricted Cash (rather than a Regulatory Asset) is recovered through rates.

Request IR-25:

Reference: N-1 Application, page 21, Figure 4 and page 22, lines 4-13

"NS Power proposes an annual servicing fee of 0.05 percent of the initial principal amount of the Securitized Bonds to cover costs and expenses in servicing the Securitized Bonds. This fee level is customary in utility securitization transactions in the United States, where the originating utility typically serves as the initial servicer and is compensated at a comparable rate. As servicer, NS Power will be responsible for determining customers' electricity usage; billing, collecting and remitting the Securitized Surcharge; preparing and submitting periodic true-up calculations; and performing such other administrative duties as may be required under the Financing Order and transaction documents. Costs and revenues associated with the servicing fees will be included in NS Power's cost of service in the next GRA. In future GRAs, NS Power will include a revenue credit of the servicing fees that NS Power collects as a servicer of the Securitized Bond".

(a) Please confirm whether the billing, metering, and collection functions NSPI will perform as servicer of the Securitized Bonds (determining customer usage, billing, collecting, and remitting amounts) are materially the same functions NSPI already performs today in billing and collecting all other charges on customers' bills (base rates, FAM, riders, etc.), using the same billing system, meters, and customer-service infrastructure.

(b) If the answer to (a) is no, please identify what, if any, incremental costs NSPI will actually incur to add the Securitized Surcharge as a line item to existing customer bills and collection processes, or any other net new functions, that are distinct from the cost of activities NSPI would be

performing regardless of this transaction.

(c) Please explain why a separate, additional 0.05 percent annual fee (\$500,000 in Year 1 and estimated ongoing total of \$15,000,000) is required to compensate NSPI for functions that may substantially overlap with services already funded through NSPI's base rates and recovered from the same customers.

(d) Please confirm whether the "costs and expenses" the servicing fee is intended to cover are already embedded, in whole or in part, in NSPI's existing revenue requirement and cost of service as approved in the 2026-2027 GRA, and if so, explain how NSPI avoids double-recovery of the same underlying billing/collection costs (once through base rates, once through the servicing fee).

(e) Please provide the specific U.S. utility securitization precedents referenced as support for the "customary" 0.05 percent servicing fee, including the issuing utility, the size of each issuance, and whether the servicing fee amount was independently reviewed or approved (contested or uncontested) by the relevant public utility commission or staff in each case, rather than simply proposed by the utility.

(f) Please explain whether and how the 0.05 percent rate was benchmarked to NSPI's own actual incremental cost of performing the servicing functions described, as opposed to being set by reference to rates used by unrelated utilities with potentially different billing systems, customer counts, or cost structures. Please provide the source documentation and/or calculations use to estimate these costs.

(g) Please explain in detail how the proposed GRA credit mechanism works, including: (i) whether the \$15,000,000 of servicing fee revenue collected over the life of the bonds flows back to reduce NSPI's revenue requirement dollar-for-dollar in each GRA; or (ii) whether the servicing fee is retained by NSPI as incremental earnings without a full offsetting credit, or otherwise.

1 **NET PRESENT VALUE**

2 **Request IR-26:**

3 **Reference: N-1, Application, Section 5.0, page 25, Figure 5.**

4 **Preamble: Figure 5 shows Eligible Costs of \$1,040,567,763 under "Traditional**
5 **Recovery" and \$1,000,000,000 under "Securitization," with an NPV of Customer Benefits**
6 **of \$265,646,577.**

- 7 (a) Please confirm whether these figures, and the underlying comparison,
8 include the cost of financing the \$23.2 million additional FAM prepayment.
9 If not, why not?
- 10 (b) If so, please provide a revised net present value comparison that excludes
11 the additional prepayment from both the "Traditional Recovery" and
12 "Securitization" scenarios, so that the net present value benefit attributable
13 solely to the costs requiring recovery can be isolated.
- 14 (c) Please confirm whether the 13-year Traditional Recovery period
15 assumption applies only to the Thermal Assets component, or whether it is
16 also used for the Fuel and Purchased Power, PHP Deferral and IESO-NS
17 Deferral components in the Traditional Recovery scenario. If different
18 recovery periods are used for each component in that scenario, please
19 identify them.
- 20 (d) What is the basis for assuming a 13-year Traditional Recovery period? Is
21 this period consistent with depreciation and amortization periods approved
22 for these same assets and balances in the 2026-2027 GRA?
- 23 (e) If other recovery periods are used for other costs in the Traditional
24 Recovery, please list and explain.
- 25 (f) Please quantify the portion of the disclosed \$265,646,577 NPV of
26 Customer Benefits that is attributable solely to the difference between the
27 13-year and 30-year recovery periods, isolated from the difference between
28 the financing rates.
- 29 (g) Please separately quantify what percentage (and dollar amount) of the

disclosed \$265,646,577 NPV of Customer Benefits is attributable to: (i) the Thermal Assets component; (ii) the Fuel and Purchased Power component (including the FAM prepayment); (iii) the PHP Deferral; and (iv) the IESO-NS Deferral. Please provide the supporting calculations showing how the NPV of Customer Benefits was derived for each component.

Request IR-27:

Reference: N-1, Confidential Appendix B (Net Present Value Calculations).

- (a) Please provide, in Excel format, a version of Appendix B, for with and without securitization benefits, that splits the NPV customer savings benefits by rate class.
- (b) Please provide a version of Appendix B, with resulting NPV customer savings benefits split by rate class, that for the without securitization (traditional) assumes the under-recovered Fuel and Purchased Power without securitization is recovered over 5 years, and the PHP and IESO Deferral balances are recovered over 3 years.
- (c) Please explain whether NSPI evaluated different recovery periods for individual securitization components based on their underlying economic characteristics, including the period over which the associated services were provided or benefits received. If so, please provide the analysis. If not, please explain why a common 30-year recovery period is appropriate for all components of the proposed securitization.
- (d) Please explain the assumptions underlying the forecast income tax expense associated with the proposed securitization, including the treatment of available tax losses and changes in NS Power's taxable position over the 30-year recovery period.
- (e) Please detail, for Appendix B (Confidential) the assumptions included for income tax for the "without securitization" and "with securitization" revenue requirement scenarios.
- (f) Why are the "Thermal Assets Financing Cost Deferral" and "Financing Fees" costs charged income tax in Appendix B (lines 84 & 100 of "NPV

Analysis – Securitization" Tab)

Request IR-28:

(a) Absent securitization, please identify the recovery period NSPI would expect to seek for each of: (i) the thermal asset balance; (ii) existing unrecovered fuel and purchased power costs; (iii) forecast fuel and purchased power costs through December 31, 2027; (iv) the PHP Deferral; and (v) the IESO-NS Deferral. For each component, explain how the proposed recovery period was determined and provide the associated carrying-cost rate, annual revenue requirement and customer-class rate impact.

(b) For each material recovery and financing scenario considered by NSPI, please quantify the projected effect on each credit metric used by NSPI or a rating agency, including the metric definition, opening value, projected value, applicable rating threshold and resulting expected rating or outlook.

(c) Please provide all analyses, reports, presentations, correspondence, rating-agency materials and comparable utility transactions relied upon to support any claimed credit-rating or credit-metric benefit from the proposed securitization.

Request IR-29:

Reference: N-1, Confidential Appendix B, "NPV Analysis - Securitization" tab, NPV Sensitivity & Section 5.0, pages 24–25

(a) Please provide the resulting annual revenue requirements and customer-class Securitization Riders (i.e. Appendix H in Excel format) under the alternative bond interest rates evaluated in the sensitivity analysis in Appendix B, specifically for the 6.50% and 7.00% interest rate scenarios.

(b) Please identify the maximum securitization bond interest rate at which NS Power would proceed with the proposed transaction and explain whether NS Power has established a minimum threshold for NPV customer savings beyond achieving a positive NPV benefit. If so, please identify the threshold and supporting rationale.

- (c) Please provide comparable sensitivity analyses assuming securitization repayment periods of 20 and 25 years, compared with the proposed 30-year period, identifying the resulting annual revenue requirements, customer-class rider impacts and NPV customer savings.

COST OF SERVICE TREATMENT

Request IR-30:

Reference: N-1, Application, page 14, lines 21-25 (PHP Deferral); page 15, lines 17-21 (IESO-NS Deferral); page 20, lines 15-21 (Upfront Financing Costs); page 26, lines 3-6 (Financing Costs allocation); page 27, lines 10-12 (FAM prepayment allocation); page 27, lines 13-28 and page 28, lines 1-18 (PHP and IESO-NS allocation methodologies).

Preamble: The Application provides that variances between forecast and actual amounts for the PHP Deferral, the IESO-NS Deferral, and the Upfront Financing Costs will each be applied as an adjustment to the \$64.9 million FAM prepayment, with the offset recorded to the Securitization Regulatory Asset. However, the Application allocates these balances to customer classes using different methodologies: the PHP Deferral is allocated via a Generation/Transmission split followed by a Demand(3CP)/Energy split; the IESO-NS Deferral is allocated purely on forecast share of sales; Financing Costs are allocated pro rata across all four securitization components based on each component's share of total Securitized Costs; and the FAM prepayment itself (into which all of these variances are absorbed) is allocated based on each class's share of 2027 Base Cost of Fuel revenue.

- (a) Please confirm that this description of the respective allocation methodologies for the PHP Deferral, IESO-NS Deferral, Financing Costs, and the FAM prepayment is accurate.

- (b) Please explain why it is appropriate for a variance arising in the PHP Deferral account (otherwise allocated via a Generation/Transmission and Demand/Energy methodology) to be absorbed into, and subsequently recovered from or credited to customer classes through, the FAM prepayment balance using the Base Cost of Fuel revenue allocator, rather than being trued up using the same Generation / Transmission / Demand / Energy methodology applicable to the PHP Deferral itself.

- (c) Please explain why it is appropriate for a variance arising in the IESO-NS Deferral (otherwise allocated purely on share of sales) to be absorbed into the FAM prepayment and recovered using the Base Cost of Fuel revenue allocator, rather than the sales-based allocator applicable to the IESO-NS Deferral itself (as proposed by NSPI).
- (d) Please explain why it is appropriate for a variance in Upfront Financing Costs (otherwise allocated pro rata across all four securitization components, each with its own distinct allocator) to be absorbed into the FAM prepayment and recovered solely using the Base Cost of Fuel revenue allocator, rather than being trued up using the blended, component-specific allocation otherwise applicable to Financing Costs.
- (e) For each of the three variance types described above (PHP, IESO-NS, and Upfront Financing Costs), please provide a worked numerical example showing, for the large and medium industrial rate classes, (i) the dollar amount of revenue requirement that class would be allocated if the variance were trued up using the allocator otherwise applicable to that specific cost category, versus (ii) the dollar amount actually allocated to that class under the Application's proposal (i.e., swept into the FAM prepayment and allocated via Base Cost of Fuel revenue share).
- (f) Please confirm whether the resulting mismatch (if any) identified in response to (e) means that some customer classes will systematically bear a disproportionate share of PHP, IESO-NS, or Financing Cost variances (or receive a disproportionate share of any associated credits) relative to their responsibility for, or benefit from, the underlying cost category, as a result of running all three variances through the FAM prepayment's Base Cost of Fuel revenue allocator instead of each variance's own cost-causative allocator.
- (g) Please confirm whether NSPI considered allocating each of these three variances directly to customer classes using the allocation methodology applicable to the specific cost category giving rise to the variance (rather than routing all of them through the FAM prepayment and its Base Cost of Fuel revenue allocator), and if so, explain why that alternative was not

adopted.

- (h) Please confirm whether this same inconsistency applies to the Balancing Adjustment (BA) mechanism described in Section 9.0, given that the BA mechanism also reconciles "any difference between estimated Ongoing Financing Costs financed by Securitized Bonds and the actual Ongoing Financing Costs incurred by the Company," and if the BA rider for this reconciliation is calculated using each class's forecast annual sales (per the BA Rider formula in Section 9.0) rather than the allocator otherwise applicable to Ongoing Financing Costs, please explain whether the same cross-subsidization concern arises there as well.

Request IR-31:

Reference: N-1, Application, page 29; Appendix D, tab "2027 With Securitization"; Appendix H.

"Securitization Rider (\$/kWh) = [Revenue Requirement / Forecast Sales] x 100."

Appendix H (tabs "2027 Securitization Rider Therm," "...Fuel," "...PHP," and "...IESO") and Appendix D already show, for each rate class, the Securitization Rev. Req. in 2027, the Allocation Factor, and the resulting cents-per-kWh rider for each of the four Securitized Cost components.

- (a) Please confirm that these tabs represent the complete calculation of the 2027 Securitization Rider from total revenue requirement to final cents-per-kWh rider for each of the Large Industrial and Medium Industrial rate classes.

- (b) Please reconcile the resulting total Securitization Rider for each Large Industrial and Medium Industrial rate class in Appendix D's "2027 With Securitization" tab to the bill-impact percentages shown in Figure 6 of the Application, including the 2027 forecast sales and base rates (Appendix E) used as the denominator and pre-securitization baseline in that reconciliation.

1 **FUTURE RECONCILIATION PROPOSAL**

2 **Request IR-32:**

3 **Reference: N-1, Application, Section 9.0, page 33.**

4 **Preamble: NSPI proposes a Formula-based True-up Mechanism and notes it will**
5 **annually calculate the required Securitized Surcharge revenue for the upcoming period**
6 **based on ...(ii) forecast Ongoing Financing Costs, (iii) approved deposits to, or**
7 **withdrawals from, any reserve accounts; and (iv) any earnings on reserve accounts, which**
8 **will reduce the required Securitized Surcharge. This section also states that the annual**
9 **true-up adjustment will be reviewed by the Board within 30 days for mathematical or**
10 **clerical errors. It is further understood that the Financing Order becomes irrevocable upon**
11 **transfer of Securitized Property or issuance of the Securitized Bonds.**

12 (a) Please confirm the above understanding regarding irrevocability.

13 (b) Please explain what happens under this mechanism if, in fact, 2027 and
14 future fuel costs come in lower than forecast, such that the \$23.2 million
15 buffer (and some or all of the \$41.7 million forecast under-recovery) is not
16 needed.

17 (c) Please explain whether any unneeded portion is refunded to customers
18 (with interest), and if so, over what timeframe, or is it applied to reduce
19 future Securitized Surcharge collections, or otherwise?

20 (d) If the Board considering IESO's revenue requirement in M12663 finds that
21 some portion of the costs underlying the IESO Deferral balance should be
22 reduced for any reason, please explain the mechanism, if any, by which
23 that finding could result in a reduction of the Securitized Surcharge or the
24 Securitized Costs being recovered from customers under the Financing
25 Order sought in this Application.

26 (e) If no such mechanism exists once the Financing Order becomes
27 irrevocable, please confirm whether customers would continue to pay the
28 Securitized Surcharge attributable to the full \$20.2 million IESO Deferral
29 (plus financing costs and return) regardless of any subsequent finding in
30 M12663.

- (f) Please confirm that the \$149.6 million forecast under-recovered fuel and purchased power balance and the \$64.9 million FAM prepayment proposed for securitization are subject to prudence review in the FAM audit.
- (g) If in a future FAM Audit, the Board determines that some portion of the fuel and purchased power costs underlying these balances was not prudently incurred, or was otherwise miscalculated, please explain the specific mechanism, if any, by which that determination could result in an adjustment to the Securitized Surcharge, as distinct from the Formula-based True-up Mechanism's stated purpose of correcting over- or under-collection relative to the forecast amount actually securitized.
- (h) Please confirm that the PHP Deferral amounts are likewise subject to prudence review, and if there is a variance determined in late 2027, for example, explain how and by what means this would be addressed as an adjustment to the Securitized Surcharge.
- (i) Please clarify what constitutes approval of the forecast Ongoing Financing Costs and the "approved deposits to, or withdrawals from" reserve accounts included in the annual Securitized Surcharge calculation.
- (j) Identify who provides that approval and whether separate Board approval is required or authorization would arise from the Financing Order and transaction documents.
- (k) Please identify the proposed limits and criteria governing Ongoing Financing Costs and reserve requirements, including the circumstances in which costs could exceed the estimates in the Application, new cost categories or reserve accounts could be introduced, or the required reserve could exceed the initial \$5 million.
- (l) Explain whether such changes would require separate Board approval, or Board approval within the proposed annual true up process.
- (m) Given the proposed limitation of annual true-up review to mathematical or clerical errors, please explain when and through what process the Board would assess the reasonableness of Ongoing Financing Costs and reserve requirements, and approve any subsequent changes.

- (n) Could there be a provision in the Financing Order, or a term proposed for the transaction documents, that would preserve the Board's or customers' ability to seek a refund, credit, or future rate adjustment outside the Securitized Surcharge mechanism if the IESO Deferral or Unrecovered Fuel Costs balances are later found to have included costs that should not have been approved or securitized? Please explain with specific reference to any regulation or legislation that may limit that ability, if any.

Request IR-33:

Reference: N-1, Application, page 36, Section 9.0.

"BA1(t) = Approved Securitized Surcharge (t-1) - Actual Securitized Surcharge Collections (t-1) ± Other Reconciliation Amounts" and "BA2(t) = Approved BA1 (t-1) - Actual BA1 Collections (t-1)," with "[t]he BA rider ... calculated by dividing the BA amount for each customer class by the customer class's forecast annual sales."

- (a) Please confirm whether the BA1/BA2 formulas apply on a customer-class-specific basis (such that over- or under-collection from a particular class is trued up to that same class) or on a system-wide basis (such that an over-collection from one class could effectively be refunded to, or an under-collection from one class recovered from, a different class). Please explain and provide a worked example.
- (b) Please confirm whether interest will be credited or charged on BA1 and BA2 balances pending their collection or refund in the subsequent year, the rate that will be used, and whether this rate is the same as the rate(s) addressed in IR-12 above for the PHP Deferral.
- (c) Please explain how the Formula-based True-up Mechanism and BA1/BA2 mechanisms address a customer that, during a recovery year: (i) leaves the NSPI system; (ii) begins taking service; (iii) moves from one rate class to another; or (iv) experiences a material change in load.
- (d) Please explain whether a departing customer remains responsible for Securitized Costs attributable to service received or costs incurred before departure and, if so, how that responsibility is calculated, billed and collected after departure. If the amount is instead recovered from remaining

customers, identify the mechanism and explain the resulting reallocation.

- (e) Please provide worked numerical examples showing the annual true-up consequences of customer entry, customer departure, class migration and a material increase or decrease in load, including the treatment of any over- or under-collection and the customer classes responsible for the resulting adjustment.

Request IR-34:

Reference: M12451 Board GRA Decision, March 25, 2026, paragraphs 157–189 and 268–269.

Preamble: The Board’s 2026–2027 GRA decision identifies substantial uncertainty concerning hydroelectric refurbishment and decommissioning costs, including responsibility for ongoing costs of retained water-management structures.

- (a) Please provide NSPI’s forecast hydro-related expenditures for 2027–2031, by year and hydro system, separately identifying refurbishment, decommissioning, and ongoing costs following cessation of generation. Distinguish approved or committed expenditures from potential expenditures dependent on future decisions and identify the expected timing of those decisions. Please identify where these amounts are already reflected in approved rates.

- (b) Please assess whether securitization could be used to finance these hydro-related costs or associated unrecovered asset balances. Identify eligible amounts, any eligibility or approval constraints, the timing at which financing could occur, and the resulting securitized principal required, including associated financing costs and net of amounts already collected or otherwise funded.

- (c) Please compare the proposed securitization with an alternative that prioritizes eligible hydro-related costs instead of the fuel, IESO and PHP balances, up to the same \$1 billion issuance limit. Please provide a version of Appendix B (Confidential) that includes resulting NPV impacts, and a version of Appendix H, which calculates rider impacts by rate class –

1 assuming the same allocation as thermal assets (i.e. system load factor to
2 split between energy and demand).

3 (d) If NSPI considers this alternative infeasible, less beneficial or less
4 principled than the proposed components, please explain and quantify the
5 reasons.