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November 5, 2026

VIA ELECTRONIC MAIL (board@novascotia.ca)

Ms. Crystal Henwood
Regulatory Affairs Officer/Clerk
Nova Scotia Energy Board
3rd Floor, 1601 Lower Water Street
P.O. Box 1692, Unit "M"
Halifax, NS B3J 3P6

Dear Ms. Henwood:

RE: 2027/2028 Proposed Expenses, Revenue Requirement and Fees Application

I am counsel to and represent the Independent Energy System Operator of Nova Scotia ("**IESO Nova Scotia**"). My Client hereby submits its 2027/2028 Revenue Requirement, Proposed Expenditures and Fees Application (the "**Application**") pursuant to section 29 of the *More Access to Energy Act*.

IESO Nova Scotia is filing this Application at the earliest practicable opportunity to facilitate a timely hearing process and a decision in advance of its 2027/2028 fiscal year, which commences April 1, 2027. The Application has been prepared having regard to prior direction by the Nova Scotia Energy Board (the "**Board**"), including matters addressed in Decisions M12412 and M12663, without prejudice to the positions set out below.

My Client has received and is reviewing the Board's recent Decision in M12663. While that review is ongoing, my Client respectfully disagrees with certain of the findings and interpretations contained in that Decision, in particular the Board's interpretation of subsection 29(4) of the *More Access to Energy Act* and its invitation for comment regarding section 30. IESO Nova Scotia files this Application solely to comply with its statutory obligations and to continue the important work the *More Access to Energy Act* requires it to complete. The filing should not be construed as acceptance of, acquiescence in, or endorsement of the Board's conclusions in that Decision. IESO Nova Scotia is actively considering its options in respect of the Decision and expressly reserves all rights and remedies available to it, including rights of review, appeal, reconsideration, judicial review, and/or other challenge. Nothing in this Application, in its form or content, or in IESO Nova Scotia's participation in this proceeding, shall constitute a waiver of any such rights or an admission regarding the proper interpretation of sections 29 or 30.

As noted by the Board in its Decision in M12663, efficient processes and timely approval of section 29 applications is important to provide certainty regarding approved expenditures and fee recovery. That need is now heightened by the Board's interpretation of subsection 29(4) in M12663 which, with respect, and although IESO Nova Scotia respectfully disagrees with it, creates material uncertainty about the recovery of costs incurred before approval. To address that uncertainty, and without prejudice to its position, my Client respectfully requests that the Board render its decision on the Application no later than March 31, 2027, and, as discussed below, seeks the Board's direction regarding certain Phase 2 costs to be incurred in fiscal 2026/2027.

I also wish to bring to the Board's attention a recent development that bears directly on the Phase 2 Control Centre expenditures described in section 3.2 of the Application. On November 3, 2026, my Client received correspondence from Stephen MacDonald, Deputy Minister of the Nova Scotia Department of Energy,

advising on the planned transfer of certain aspects of operational control of the electricity system from Nova Scotia Power to IESO Nova Scotia, scheduled in Spring 2028; this letter is filed as Appendix 5 to this Application. To meet that timeline, IESO Nova Scotia must proceed with Phase 2 without delay. As a result, IESO Nova Scotia expects to begin incurring Phase 2 costs over and above its approved 2026/2027 expenditures within the next several weeks.

These additional costs could not have been known to IESO Nova Scotia at the time it prepared and filed its 2026/2027 revenue requirement application (M12663); they arise from IESO Nova Scotia's finalizing the scope of its Phase 2 Control Centre project well after the submission of its Application and the initiation of the corresponding NSEB proceeding under M12663. IESO Nova Scotia has included these additional 2026/2027 Phase 2 costs in this Application for the Board's approval. Because those costs will be incurred before the Board renders its decision on this Application, their approval in this proceeding would necessarily be retroactive on the assumption of NSEB approval not before the end of IESO Nova Scotia's 2026/2027 fiscal year.

IESO Nova Scotia is mindful that, in its Decision in M12663, received this week, the Board stated its expectation that costs under subsection 29(4) will be approved in advance of being incurred. Prior to that Decision, IESO Nova Scotia had proceeded in good faith on the basis of its reasonable interpretation of subsection 29(4), which it did not understand to require that costs be approved before they are incurred. IESO Nova Scotia nonetheless wishes to respect the Board's stated expectation to the fullest extent practicable. Accordingly, and without prejudice to its position regarding subsection 29(4), IESO Nova Scotia respectfully seeks the Board's direction as to whether the Board wishes to consider the additional 2026/2027 Phase 2 costs on an expedited basis, in advance of the balance of the Application, and, if so, the process the Board considers appropriate.

With respect to section 30 of the *More Access to Energy Act*, I note the Board's invitation for comments in M12663 concerning its authority under that provision. My Client respectfully submits that section 30 issues are outside the scope of this proceeding and will be addressed, if at all, in a proceeding in which section 30 approvals are directly engaged. No section 30 costs are included in this Application and no relief is sought under section 30. The interpretation of section 30, and the scope of the Board's authority under it, are therefore not properly before the Board in this proceeding. Any determination of those issues would be unnecessary to the disposition of this Application and would, respectfully, be made without the benefit of a relevant evidentiary record or a context in which section 30 costs are anticipated to be incurred.

Confidentiality Request

Pursuant to Board Rule 12, my Client requests confidential treatment of limited information contained in the Application and supporting materials. The request is narrowly tailored, and the balance of the Application will be on the public record.

The confidential information consists of:

- **Commercially Sensitive Cost Information**

  To protect value for electricity ratepayers and mitigate the risk of prospective proponents having access to the information contained in this Application, and maintain good business relations with vendors, this information is confidential.

  The more a supplier is aware of IESO Nova Scotia's specific requirements, budgets, forecasts, or a competing vendor's costs, the better the supplier's ability to obtain the highest price, reduce competition and ultimately increase the cost for IESO Nova Scotia which will be passed onto ratepayers. The cost of such transparency is not always immediately evident. Information from regulatory proceedings can provide competitive advantages over other suppliers, and that could be advantageous in bidding or negotiation. Higher prices, or avoidable contractual constraints, will result in unnecessarily higher costs to ratepayers.

IESO Nova Scotia seeks to keep the terms and conditions of suppliers pricing and arrangements confidential from their other customers or potential competitors. This prevents competitors from using the information to gain a competitive advantage. This is equally true for IESO Nova Scotia, which desires to protect its ability to acquire services and equipment on the most competitive terms. Those "best" terms may not be available if there is a risk that they will be disclosed to the customers or competitors of the supplier.

Since IESO Nova Scotia's costs will ultimately be passed onto electricity ratepayers, the maintenance of confidentiality for this item is to the direct benefit of those ratepayers.

- **Personal Compensation Information**

  Good human resource practices and privacy legislation require the IESO to protect certain confidential personnel information and documentation from disclosure. Information relating to salaries, either individually or in aggregate, that can identify an employee's salary is confidential.

The following portions of this Application include confidential information:

Section/Attachment	Description	Confidentiality Category	Partial/Full/Board Only
Application: Figure 24	Compensation and Consulting Rows	Personal Compensation information. The consulting row has been redacted to ensure the compensation row cannot be easily calculated.	Partial
Application: Figure 25	Compensation and Building Operating Costs	Personal Compensation Information. The Building Operating Costs row has been redacted to ensure the compensation row cannot easily be calculated.	Partial
Application: Figure 26	Compensation and Consulting Rows	Personal Compensation information. The consulting row has been redacted to ensure the compensation row cannot be easily calculated.	Partial
Appendix 7	Provincial Letter of Support and Extension to Provincial Line of Credit	Commercial Sensitivity	Letter – Non-Confidential Full – Extension to Provincial Line of Credit

Appendix 9	Marsh employee compensation report	Personal Compensation Information	Full
Appendix 10	Historical Consultant Contracts	Commercial Sensitivity	Full
Appendix 11	Software Service Agreements	Commercial Sensitivity	Partial
Appendix 13	Mercer (Marsh) Compensation Benchmarking Proposal and Barrington Consulting Cost Estimate	Commercial Sensitivity	Full
Appendix 14	Provincial Line of Credit	Commercial Sensitivity	Full

My Client also requests approval of the attached Confidentiality Undertaking, which will allow qualified participants to access the confidential information while protecting it from public disclosure.

Yours very truly,



David Luther
General Counsel & Corporate Secretary