

September 2, 2025

Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax, NS B3J 3S3

Re: Notice of Consensus 2026-2027 General Rate Application

Dear Ms. Henwood:

Nova Scotia Power Incorporated (NS Power) is writing to notify and inform the Nova Scotia Energy Board (NSEB, Board) that it will be filing a General Rate Application for the 2026-2027 period (GRA) in the coming weeks. This GRA is the result of an extensive collaborative process involving NS Power and customer representatives and it is being filed with the support of those representatives for the outcomes of the GRA, who include the Consumer Advocate (CA), Small Business Advocate (SBA), counsel for the Industrial Group, representing CKF Inc., Crown Fibre Tube Inc., Irving Shipbuilding Inc., K + S Windsor Salt Ltd., Maritime Paper Products Ltd., Michelin North America (Canada) Inc., Compass Minerals Canada Corp., Farnell Packaging Ltd., P & H Milling Group, and PSA Halifax (IG), counsel for the Berwick Electric Commission, Riverport Electric Light Commission, the Town of Mahone Bay, and the Town of Antigonish (the Municipal Electric Utilities, or MEUs), and counsel for Port Hawkesbury Paper ("PHP") (collectively, the "Parties").

The GRA has been developed over several months and its development included multiple technical conferences and meetings between the Parties to discuss and understand all Parties' positions on the various elements of the GRA. Hundreds of detailed questions and requests for additional information from customer representatives were responded to by NS Power and, the Parties participated in multiple meetings where the GRA was negotiated, with the result being a consensus on the outcomes. Throughout the entirety of this process, customer representatives have been aided by their expert consultants.

Relevant components of the GRA to which all Parties noted above have agreed include the following:

- An overall average rate increase across all customer classes of 2.1% in 2026 and

2.1% in 2027 with rates to be effective January 1 of each year;

- An updated Depreciation Study and rates;
- An updated Cost of Service Study, resulting from the substantive and thorough process initiated by NS Power on December 13, 2023 (M11475) and carried out with customer representatives and their expert consultants throughout 2024 and 2025;
- Retention of the existing 9.0% cost of equity capital and 60/40 debt to equity ratio;
- The continuation of the Storm Cost Recovery Rider Pilot in the years 2026 and 2027, but on a symmetrical basis whereby any underspend is returned to customers;
- An amended DSM Rider which matches the period of recovery with the accrual period for the true-up of class budgeted and actual program spending; and
- Working with the Province of Nova Scotia, securitization of approximately \$704 million of the remaining net book value of thermal assets, which NS Power expects will save customers up to \$90 million over the 2026-2027 period, and which will be facilitated by an application to the Board for a financing order under section 35G of the Public Utilities Act, once proclaimed.

As previously described, the process that has been undertaken to develop this GRA has been extensive. The resulting support of the customer representatives for the outcomes of the GRA is comprehensive, in that the parties do not require and are not seeking a process that provides an opportunity for them to make information requests or submit evidence, provided the GRA is filed in accordance with the terms of the negotiated outcome. Indeed, this collaborative outcome includes reduced costs to account for the anticipated GRA-related regulatory efficiencies that have been created by the parties' collaborative efforts and work.

As a result, NS Power requests that the Board initiate a GRA matter and process by way of this written notice and that any process that stems from the filing of the GRA provides for rates to be in effect by January 1, 2026, as contemplated by the GRA. While NS Power understands the Board likely needs to see the GRA as filed to determine a final process, it believes the initiation of the process, such as public notice and a deadline for Notices of Intervention can be undertaken as a result of this correspondence.

Yours truly,

Judith Ferguson
Executive Vice President, Regulatory, Legal and Government Relations