

June 22, 2026

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

Re: Fuel Adjustment Mechanism (FAM) Monthly Report – May 2026

Dear Ms. Henwood:

Please find enclosed Nova Scotia Power's FAM Monthly report for May 2026. The confidential versions of the report and the FAM Calculation Model have been uploaded to the Board's confidential website.

The analysis provided in this monthly report and the remainder of this letter use NS Power's actual data against the 2026 GRA Compliance filing, referenced as the FAM Budget. The FAM Budget was originally developed using pricing data from November 2024.

For the AA and BA information on page M2, the actual data is compared against the amounts presented 2026 GRA Compliance filing, which includes actuals up to December 2024.

May 2026 Results

As shown in Figure 1, for the month of May 2026 there was increased energy from IPPs and Natural Gas, which was partially offset by lower Energy Access Agreement imports and Solid Fuel.

Figure 1

Month

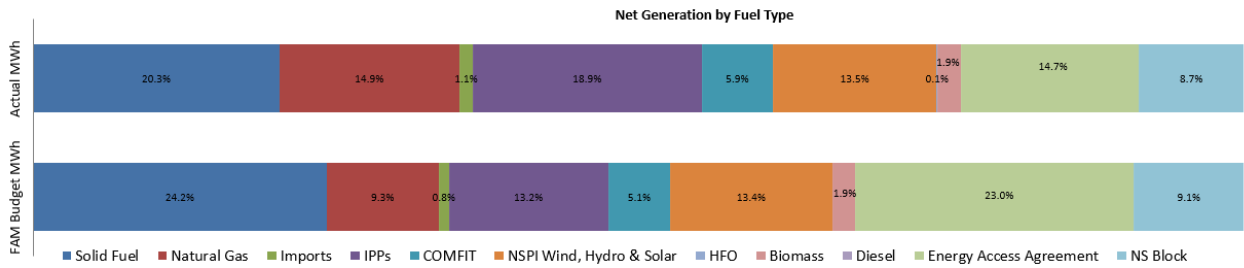


Figure 2

Year-to-Date

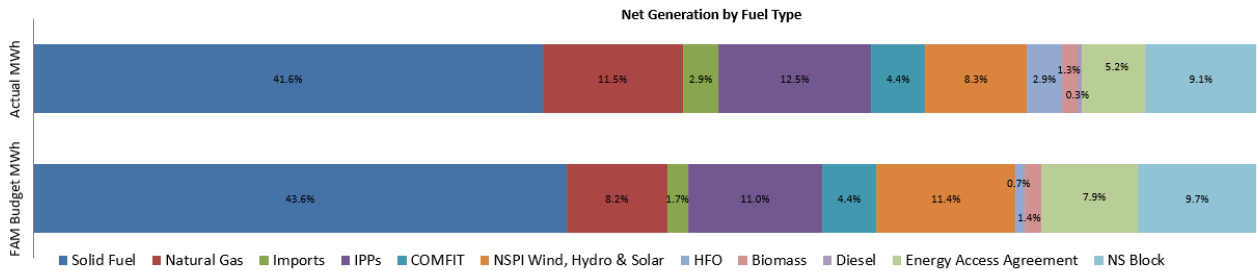


Table 1

May FAM (Over)/Under-Recovery (in \$ millions)			
	Actual	FAM Budget	Variance
Total fuel and purchased power	\$79.2	\$81.3	(\$2.1)
Fuel adjustments	(\$5.2)	(\$6.6)	\$1.4
Total Adjusted Fuel Costs	\$74.0	\$74.7	(\$0.7)
Revenue ⁽¹⁾	(\$64.1)	(\$62.2)	(\$1.9)
FAM (Over)/Under Recovery	\$9.9	\$12.5	(\$2.6)

*Figures presented are rounded to one decimal place which may cause rounding differences on some line items. Figures are presented as follows: (Favourable)/Unfavourable in the variance column. FAM Budget reflects the 2026 GRA Compliance filing of \$916.8 million.

Table 2

Year to Date FAM (Over)/Under-Recovery (in \$ millions)			
	Actual	FAM Budget	Variance
Total fuel and purchased power	\$471.6	\$420.4	\$51.2
Fuel adjustments	(\$26.9)	(\$29.0)	\$2.1
Total Adjusted Fuel Costs	\$444.7	\$391.4	\$53.3
Revenue	(\$413.6)	(\$404.9)	(\$8.7)
FAM Under/(Over) Recovery	\$31.1	(\$13.5)	\$44.6

*Figures presented are rounded to one decimal place which may cause rounding differences on some line items. Figures are presented as follows: (Favourable)/Unfavourable in the variance column. FAM Budget reflects the 2026 GRA Compliance filing of \$916.8 million.

For the month of May 2026, there was a favorable variance of \$2.6 million in the recovery of fuel costs as compared to the FAM Budget (\$9.9 million actual under-recovery as compared to \$12.5 million under-recovery in the FAM Budget).

For the month of May 2026, load was approximately 18.0 GWh higher than the FAM Budget, resulting in an increase in fuel costs of \$1.1 million.

The May variance between the actual total fuel and purchased power cost and the FAM Budget total fuel and purchased power costs (excluding load) is favorable by \$3.2 million. The following table sets out the components of the variance between actual fuel and purchased power cost as compared to the FAM Budget.

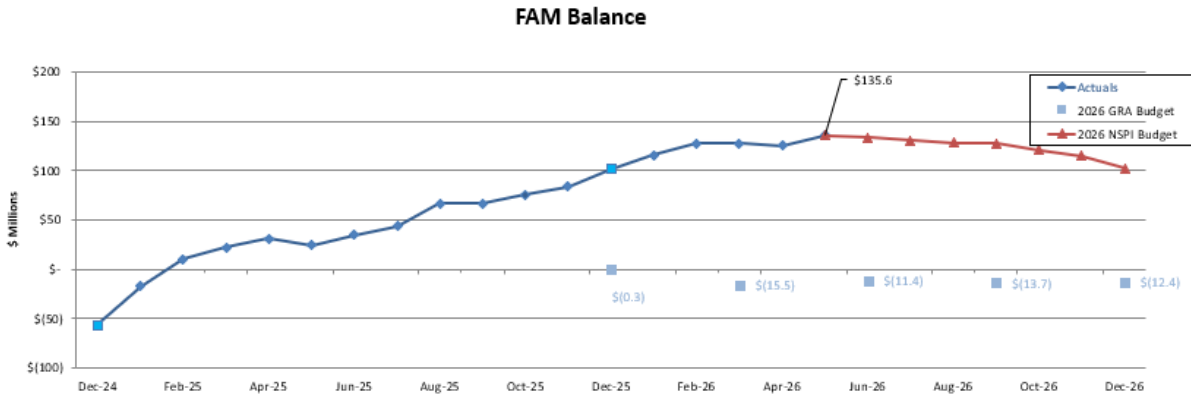
Table 3

Fuel and Purchased Power Variance (in \$ millions) *	
	Actual vs FAM Budget
Nova Scotia OBPS carbon tax	(\$6.6)
Solid Fuel pricing and mix, additives, and adjustments	(\$0.4)
Plant Dispatch	(\$0.3)
Natural gas, HFO, and LFO pricing and mix	\$1.6
Maritime Link Assessment	\$1.3
Purchased power pricing and mix	\$1.2
Total excluding load	(\$3.2)

*Figures presented in Table 3 are rounded to one decimal place which may cause rounding differences on some line items. Figures are presented as follows: (Favourable)/Unfavourable. FAM Budget reflects the 2026 GRA Compliance filing of \$916.8 million.

As shown in Figure 3 below, as of May 31, 2026, the FAM Balance is an under-recovery of \$135.6 million. Both the GRA and NS Power Internal Budget assumed an increase in fuel rates and collection of AA/BA beginning January 1, 2026.

Figure 3



As shown in Table 4 below, natural gas consumption was higher than budget. This was a result of increased natural gas dispatch due to favorable pricing compared to the FAM Budget.

Table 4

	Variance from FAM Budget*
Natural gas consumption (MMBtu)	593,342
Natural gas price (\$/MMBtu)	(\$1.69)

*Variances are against the FAM Budget which reflects the 2026 GRA filing of \$916.8 million. Positive numbers reflect amounts higher than forecast; Negative numbers reflect amounts lower than forecast.

In the Board Order received January 16, 2020, regarding M09810, in reference to the long-term deferral of Maritime Link depreciation expense, NS Power was directed to include detail in its FAM Monthly report of the WACC earned in the FAM on these funds. As of September 2021, energy from Newfoundland and Labrador Hydro (NS Block) has started to flow. Since January 2021, NS Power has deferred Maritime Link assessment costs in the amount of \$22.8 million, resulting in increased interest payable at WACC to FAM customers of approximately \$7.8 million.

June 22, 2026
C. Henwood

Please contact me with any questions or concerns with respect to the FAM Monthly report for May 2026.

Yours truly,



Jennifer Ross
Director, Regulatory Planning & Compliance

c. Intervenor

Encl.

Nova Scotia Power Inc.
Monthly FAM Reporting
For the Period Ended May 31, 2026

REDACTED



Nova Scotia Power Inc.
Monthly FAM Reporting
Summary of Fuel Costs
For the Period Ended May 31, 2026
(millions of dollars)

NSPI (FAM) M-1
NON-CONFIDENTIAL

	Current Month		Year-to-Date		2026 Budget	
	Actual	Budget ⁽¹⁾	Actual	Budget ⁽¹⁾	Full Year Budget	% of Budget Spent
Fuel for Generation - Domestic Load						
Solid Fuel	12.0	14.4	144.8	151.5	293.5	49.3%
Natural Gas	7.8	5.2	59.2	37.6	87.4	67.7%
Biomass	1.9	2.0	10.1	10.6	21.6	46.8%
Bunker C	0.2	0.1	24.6	7.1	7.8	315.4%
Furnace	0.6	0.2	2.6	2.1	4.0	65.0%
Diesel	0.1	0.0	7.5	0.6	0.8	937.5%
Additives	0.6	0.8	7.4	9.2	17.9	41.3%
GHG Compliance	(7.6)	(0.7)	(9.2)	1.3	5.7	-161.4%
Subtotal	15.7	22.0	247.2	219.9	438.7	56.3%
Import Purchases	8.6	11.2	40.3	35.4	94.7	42.6%
Maritime Link	34.4	33.1	87.4	86.1	198.7	44.0%
Non-Wind IPP Purchases	4.8	3.1	25.0	14.2	35.3	70.8%
Wind Purchases	8.8	6.1	37.5	32.7	80.9	46.4%
COMFIT Purchases	6.8	5.8	33.0	31.7	67.5	48.9%
Fuel for Resale Net Margin	(0.0)	-	(0.2)	-	-	0.0%
Exports	-	-	1.0	-	-	0.0%
Fuel and Purchased Power	79.1	81.2	471.2	420.0	915.7	51.5%
Water Royalties	0.1	0.1	0.4	0.4	1.1	36.4%
Total Fuel and Purchased Power	79.2	81.3	471.6	420.4	916.8	51.4%
Less: ELIADC Revenue	(5.1)	(5.9)	(24.5)	(26.2)	(67.7)	36.2%
Total Fuel and Purchased Power Less ELIADC Revenue	74.1	75.4	447.1	394.2	849.1	52.7%
Less: Export Revenues	-	-	(1.9)	-	-	0.0%
Less: 1PT RTP	(0.0)	(0.1)	(0.2)	(0.3)	(1.2)	16.7%
Less: Shore Power	(0.0)	-	(0.0)	-	(0.1)	0.0%
Less: EBS	-	(0.6)	-	(2.5)	(7.4)	0.0%
Less: GRLF Fuel Costs	(0.1)	(0.0)	(0.3)	(0.1)	(1.1)	27.3%
Loss / (Gain): Foreign exchange - Fuel Other	-	-	-	-	-	0.0%
Net Fuel and Purchased Power	74.0	74.7	444.8	391.4	839.2	53.0%
Total System Requirements (GWh)	853.8	835.8	5,554.2	5,278.5	11,392.0	48.8%
Less: Export Sales and Attributed Losses	-	(0.9)	(5.1)	(5.1)	(13.5)	37.8%
Less: GRLF Requirements	(0.7)	(0.3)	(2.5)	(0.8)	(15.0)	16.7%
Less: ELIADC	(74.3)	(70.3)	(322.4)	(314.1)	(810.5)	39.8%
Less: Shore Power	(0.1)	-	(0.1)	-	(1.3)	7.7%
Less: 1PT RTP	(0.0)	(1.1)	(1.7)	(3.3)	(13.1)	13.0%
Less: EBS	-	(8.1)	-	(31.5)	(95.7)	0.0%
Less: Losses ⁽²⁾	(55.0)	(52.9)	(383.7)	(369.3)	(756.7)	50.7%
Total FAM Sales	723.6	702.2	4,838.7	4,554.5	9,686.1	50.0%

Figures presented are rounded to one decimal place which may cause \$0.1M in rounding differences on some line items.

⁽¹⁾ FAM Budget reflects the GRA Compliance Filing for 2026 of \$916.8 million.

⁽²⁾ Includes losses for all customer classes, with the exception of Export Sales.

Nova Scotia Power Inc.
Monthly FAM Reporting
Summary of Cost Recovery
For the Period Ended May 31, 2026
(millions of dollars)

NSPI (FAM) M-2
NON CONFIDENTIAL

Base Fuel Component (BCF)

	<u>Actual</u>	<u>Budget</u>
2026 Beginning BCF Balance	-	-
(Over)/Under-recovered Prior to Current Month	21.20	(26.01)
(Over)/Under-recovered in Current Month	9.93	12.51
Balance Yet to be Recovered	31.13	(13.50)
(Over)/Under-recovery- Remainder of the Year	N/A	(6.44)
Interest on BCF Balance	0.22	(0.69)

Actual Adjustment Component (AA)

	<u>Actual</u>	<u>Budget</u>
2026 Beginning AA Balance	165.86	60.96
Recovered/(Refunded) Prior to Current Month	-	21.49
Opening Balance as of May 1, 2026	165.86	39.48
Recovered/(Refunded) in Current Month	-	3.58
Closing Balance as of May 31, 2026	165.86	35.89
Recovered/(Refunded) Remainder of the Year	N/A	26.02
Interest on AA Balance	4.37	1.24

Balancing Adjustment Component (BA)

	<u>Actual</u>	<u>Budget</u>
2026 Beginning BA Balance	(64.25)	(61.25)
Recovered/(Refunded) Prior to Current Month	-	(25.37)
Non-fuel amounts applied to FAM prior to current period	-	-
Opening Balance as of May 1, 2026	(64.25)	(35.88)
Recovered/(Refunded) in Current Month	-	(4.23)
Non-fuel amounts applied to FAM in current period	-	-
Closing Balance as of May 31, 2026	(64.25)	(31.65)
Recovered/(Refunded) Remainder of the Year	N/A	(30.72)
Interest on BA Balance	(1.78)	(1.16)
FAM Deferral (Over)/Under-Recovery	135.56	(9.88)

Figures presented are rounded to two decimal places which may cause \$0.01M in rounding differences on some line items.

FAM Budget reflects the GRA Compliance Filing for 2026 of \$916.8 million.

Commentary for Month:

Nova Scotia Power Inc.
Monthly FAM Reporting
2026 Total Accumulated Unrecovered FAM Balance
For the Period Ended May 31, 2026
(millions of dollars)

NSPI (FAM) M-3
NON CONFIDENTIAL

Month	BA Total Outstanding	AA Total Outstanding	BCF Variance		Accumulated Interest	Total Outstanding
			To Current Month	Current Month		
January	(64.2)	165.9	0.0	13.8	0.5	115.9
February	(64.2)	165.9	13.8	18.0	1.1	134.6
March	(64.2)	165.9	31.9	(7.5)	1.7	127.6
April	(64.2)	165.9	24.3	(3.1)	2.2	125.0
May	(64.2)	165.9	21.2	9.9	2.8	135.6
June	(60.5)	157.9	31.1	1.2	3.4	133.2
July	(56.3)	149.2	32.3	1.4	4.0	130.6
August	(52.2)	140.5	33.7	1.8	4.6	128.4
September	(48.6)	133.0	35.5	2.1	5.2	127.2
October	(44.5)	124.3	37.6	(2.7)	5.8	120.5
November	(39.3)	113.3	34.9	(0.6)	6.4	114.7
December	(32.4)	98.8	34.3	(5.7)	6.9	101.9

Figures presented are rounded to one decimal place which may cause \$0.1M in rounding differences on some line items

**Nova Scotia Power Inc.
Monthly FAM Reporting
Fuel Policies and Organizational Changes
For the Period Ended May 31, 2026**

**NSPI (FAM) M-4
NON CONFIDENTIAL**

Fuel Manual Updates

No Fuel Manual Updates.

POA Updates

No POA Updates.

Organizational Updates

No Organization Updates.

Nova Scotia Power Inc.
 Monthly FAM Reporting
 Mercury Abatement Program
 For the Period Ended May 31, 2026
 (millions of dollars)

NSPI (FAM) M-5
 REDACTED

Generating Unit	Additive Type	Current Month		Year-to-Date	
		Quantity	Cost \$/MWh ^a	Quantity	Cost \$/MWh ^a
Lingan - Unit 1	Powder Activated Carbon				
Lingan - Unit 2	Powder Activated Carbon				
Lingan - Unit 3	Powder Activated Carbon				
Lingan - Unit 4	Powder Activated Carbon				
Point Tupper	Powder Activated Carbon				
Trenton 5	Powder Activated Carbon				
Trenton 6	Powder Activated Carbon				
Lingan	Calcium Chloride				
Point Tupper	Calcium Chloride				
Trenton	Calcium Chloride				
Total Costs - Powder Activated Carbon		130,380 kgs	\$0.429	1,521,879 kgs	\$5.445
Total Costs - Calcium Chloride		- L	\$0.000	45,579 L	\$0.026
Total Mercury Sorbent Costs			\$0.429		\$5.471

^a Calculated using actual MWh produced by unit.

Commentary for the month:

YTD emissions are estimated at 20.4 kg. The forecast indicated YTD emissions by May 2026 of 19.2 kg.

NSPI Environmental Report for Mercury Emissions (b)
 Annual Limit = 45 kg (c)

Month	Reported this month (d)	Reported last month	Variance	Reason for variance	2025 Actuals (e)
Jan	6.4	6.4	0.0	Estimated data updated with actual data	6.8
Feb	5.9	5.9	0.0		4.8
Mar	3.7	2.9	0.8		3.3
Apr	3.2	2.2	1.0		3.3
May	1.2				0.7
Jun					1.9
Jul					4.6
Aug					4.5
Sep					3.7
Oct					3.5
Nov					4.1
Dec					6.0
Year to Date (f)	20.4	17.4	1.8		45^a

^b As reported by NSPI's Environmental Services.

^c Province of Nova Scotia Air Quality Regulations - Schedule C section 3(2). Annual limit of 35kg plus mercury diversion credits to a maximum of 10kg as per Schedule C section 7E(3a) for a total of 45kg.

^d This value is an estimate based on incomplete laboratory results and consumption figures. Environmental Services will finalize this result next quarter.

^e Shown for comparative purposes. Figures updated in March to reflect finalized amounts.

^f Figures presented are rounded to one decimal place which may cause \$0.1M in rounding differences on some line items.

*Per the Mercury Monitoring Protocol and Air Quality Regulations, for reporting purposes, NS Power applies +/- 5% to the annual emissions.

	Current Month			Year-to-Date		2026 Budget
	Actual	Budget	% Change	Actual	Budget	Budget
Solid Fuel						
Solid Fuel Consumption Costs (\$)						
Solid Fuel Consumption (MMBtu)						
Solid Fuel Generation (MWh)						
Solid Fuel Price (\$/MMBtu) ⁽¹⁾						
Solid Fuel Price (\$/MWh)						
Natural Gas						
Natural Gas Consumption Costs (\$)						
Natural Gas Consumption (MMBtu)						
Natural Gas Generation (MWh)						
Natural Gas Price (\$/MMBtu) ⁽¹⁾						
Natural Gas Price (\$/MWh)						
Biomass						
Biomass Consumption Costs (\$)						
Biomass Consumption (MMBtu)						
Biomass Generation (MWh)						
Biomass Price (\$/MMBtu)						
Biomass Price (\$/MWh)						
Bunker						
Bunker Consumption Costs (\$)						
Bunker Consumption (MMBtu)						
Bunker Generation (MWh)						
Bunker Price (\$/MMBtu) ⁽¹⁾						
Bunker Price (\$/MWh)						
Light Fuel Oil						
Light Fuel Oil Consumption Costs (\$)						
Light Fuel Oil Consumption (MMBtu)						
Light Fuel Oil Generation (MWh)						
Light Fuel Oil Price (\$/MMBtu)						
Light Fuel Oil Price (\$/MWh)						
Imports⁽²⁾						
Imported Power Volume (MWh)						
Imported Power Price (\$/MWh) ⁽¹⁾						
Non-Wind IPP Purchases						
IPP Purchase Volumes (MWh)						
IPP Purchase Price (\$/MWh)						
Wind IPP Purchases						
Wind Purchase Volumes (MWh)						
Wind Purchase Price (\$/MWh)						
COMFIT						
COMFIT Purchase Volumes (MWh)						
COMFIT Purchase Price (\$/MWh)						
Maritime Link						
NS Block & Supplemental Volumes (MWh)	74,319	75,929	-2%	505,429	512,893	1,134,000

FAM Budget reflects the GRA Compliance Filing for 2026 of \$916.8 million.

Consumption cost totals above are at the budget effective USD rate for the year. These figures do not include the impact of monthly foreign exchange rate variations that are reflected in Summary of Fuel Costs (Report M-1).

⁽¹⁾ Includes impact of commodity hedge settlements.

⁽²⁾ Includes purchased energy via the Energy Access Agreement with Newfoundland and Labrador Hydro.

Nova Scotia Power Inc.
Monthly FAM Reporting
Volume and Pricing Summary
For the Period Ended May 31, 2026

NSPI (FAM) M-7
NON CONFIDENTIAL

Category	Variance from Budget	Details
Total Fuel and Purchased Power Expense	2.6% below Budget for the month	
Total System Requirements	2.2% above Budget for the month	
Total FAM Sales	3% above Budget for the month	May's 723.6 GWh was more than the FAM Budget of 702.2 GWh.
Net Fuel and Purchased Power Costs	0.9% below Budget for the month	May's \$74.0M was less than the FAM Budget of \$74.7M.
Purchased Power Costs	10.7% above Budget for the month	May's \$29.M was more than the FAM Budget of \$26.2M. Purchased Power was higher primarily due to increased wind production from IPP and COMFIT projects as well as higher non-wind IPP pricing due to legislation introduced after the FAM Budget was finalized that increased the rate paid for dispatchable biomass generation. This was partially offset by lower energy deliveries from Newfoundland and Labrador Hydro (Energy Access Agreement).
Maritime Link	3.9% above Budget for the month	May's \$34.4M was more than the FAM Budget of \$33.1M due to timing of the repayment of the Federal Loan Guarantee. This increase will be offset by a lower repayment in November 2026.
Solid Fuel Costs	16.7% below Budget for the month	May's \$12.2M was less than the FAM Budget of \$14.4M. Solid Fuel expenditure decreased mainly due to lower generation at Point Aconi which was displaced by increased natural gas generation.
Natural Gas	24.4% above Budget for the month	May's \$7.8M was more than the FAM Budget of \$5.2M. Natural Gas was higher primarily due to increased generation at Tufts Cove compared to budget. This was the result of lower commodity pricing driving the plant to remain in service due to economics and to displace lower than forecasted energy from Newfoundland and Labrador (Energy Access Agreement).
Biomass Fuel Costs	5% below Budget for the month	May's \$1.7M was less than the FAM Budget of \$2.0M.
Heavy Fuel Oil	Higher than Budget for the month	May's \$0.2M was more than the FAM Budget of \$0.1M.
Mercury Sorbent/Additives	25% below Budget for the month	May's \$0.6M was less than the FAM Budget of \$0.8M.
GHG Compliance	Lower than Budget for the month	May's credit of (\$7.6M) was less than the FAM Budget of (\$0.7M). Carbon tax was lower due to an update to the 2025 provisional amount recorded as result of the completion 2025 emissions audit as well as a reduction to the 2026 provision.
Mercury Emissions	Equal to Budget for the month	May's 1.2kg was equal to the Budget.

Nova Scotia Power Inc.
 Monthly FAM Reporting
 ELIADC Tariff Revenue
 For the Period Ended May 31, 2026

NSPI (FAM) M-8
 REDACTED

	May \$	May MWH
CBL Energy Charge - Fuel & Purchased Power ⁽¹⁾	\$ 4,358,889	63,689
Accrual Booked	1,091,957	15,955
Accrual Reversed	(364,664)	(5,328)
ELIADC in Monthly FAM Report (reported on M-1)	<u>\$ 5,086,182</u>	<u>74,316</u>

ELIADC Report							
Month	CBL Energy Charge (\$)		Total Actual Energy (MWh) ⁽¹⁾	Target Energy (MWh)	CBL Adder (\$)		Total Billed Charge (\$)
	Fuel & Purchased Power Charge	Variable Operating & Maintenance Charge			Fixed Cost Recovery	Var Capital Adder (\$)	
May 2026	\$ 4,358,889	\$ 89,802	63,689		\$ 318,446	\$ 64,963	\$ 4,832,099



<u>Product</u>	<u>Buy/Sell</u>	<u>Date/Time</u>	<u>Volume⁽²⁾</u>	<u>Price⁽¹⁾</u>	<u>Cost/(Revenue)⁽¹⁾</u>

Product	Buy/Sell	Date/Time	Volume ⁽²⁾	Price ⁽¹⁾	Cost/(Revenue) ⁽¹⁾

Product	Buy/Sell	Date/Time	Volume ⁽²⁾	Price ⁽¹⁾	Cost/(Revenue) ⁽¹⁾
[REDACTED]					

⁽¹⁾ Transactions are denoted in \$USD.

⁽²⁾ Power and natural gas transactions are measured in MWh and MMBtu, respectively.