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Jennifer Ross
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Nova Scotia Power Inc.
1223 Lower Water Street, PO Box 910
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Dear Ms. Ross:

M12185 – Nova Scotia Power Inc. re 2024 Annual Performance Standards

On March 31, 2025, pursuant to the *Public Utilities Act (PUA or Act)*, Nova Scotia Power Inc. (NS Power) filed its 2024 Annual Performance Standards Report with the Nova Scotia Utility and Review Board (NSUARB). On April 1, 2025, on proclamation of the *Energy and Regulatory Boards Act*, S.N.S. 2024, c. 2, Sch. A, the NSUARB was succeeded by the Nova Scotia Energy Board for all applications related to electric utilities (Board).

The Board's Hearing Order dated April 10, 2025, set this matter for review by way of a paper hearing and established a timetable for the proceeding. Information Requests (IRs) from the Consumer Advocate (CA), Small Business Advocate (SBA), and Board staff were issued to NS Power on April 30, 2025, and NS Power filed responses on May 22, 2025. Closing Submissions were filed on June 5, 2025, by the CA, SBA, and NS Power. A Reply to Closing Submissions was filed by NS Power, the CA, and the Industrial Group (IG) on June 12, 2025.

BACKGROUND

In 2015, the Government of Nova Scotia added ss. 52A to 52F to the *PUA* to include certain performance requirements for NS Power. At that time, s. 52A required the NSUARB to establish performance standards for reliability and the utility's response to adverse weather conditions, while s. 52B required the NSUARB to establish performance standards in respect of "such areas of Nova Scotia Power Incorporated's customer service as it determines appropriate". Sections 52C to 52E addressed reporting on NS Power's performance compared to the standards, and oversight of NS Power's compliance.

The NSUARB's Decision and Order in Matter M07387 set 13 performance standard metrics and associated targets for the five-year period of 2017 to 2021. In its decision about NS Power's 2017 Performance Standards Report (M08574), the NSUARB directed NS Power to expand its reliability reporting in subsequent years to include all-inclusive System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI) indices, as well as a year-over-year comparative analysis of planned outages.

On October 4, 2021, NS Power applied to amend nine of the thirteen performance standards for implementation in 2022 and add a new standard for reports on weather-related outages affecting 30,000 or more customers. Subsequently, in Matter M10279 a revised set of performance standards and related targets for the 2022 to 2026 period were approved by the NSUARB. The standards and targets for 2024 are noted below:

Reliability

- System Average Interruption Frequency Index ≤ 2.05
- System Average Interruption Duration Index ≤ 4.29
- Circuit Average Interruption Frequency Index (CKAIFI) ≤ 5.03
- Circuit Average Interruption Duration Index (CKAIDI) ≤ 19.00

Response to Adverse Weather

- Customer notification of an oncoming severe weather event within 4 hours of opening the Emergency Operations Centre (EOC)
- A minimum of 85% of calls answered within 45 seconds during a severe outage event
- Polite disconnect rate of 10% or less annually for all outage calls
- Estimated Time to Restore (ETR) updates communicated to customers without delay during outages
- Percentage of customers restored within 48 hours of a severe weather event:
  - Extreme Event Days (EEDs) ≥ 78.38%
  - Major Event Days (MEDs) ≥ 91.98%
  - Significant Event Days (SEDs) ≥ 95.05%
- Outage Report for Events Impacting 30,000 Customers or more:
  - File Report Within 45 days of the event, or within 75 days in the case of a MED or EED

Customer Service

- Percentage of calls answered within 30 seconds ≥ 70%
- Percentage of customer bills that can be estimated ≤ 2%
- Customer notification of outages as soon as known to NS Power
- New service connection times
  - Service Installation -- No Poles ≤ 3.0 days
  - Service Installation -- Pole or Transformer ≤ 4.9 days
  - Service Installation -- Temporary to Permanent ≤ 3.2 days
  - Service Installation -- Line Extension less than 10 Poles ≤ 6.2 days
  - Service Installation -- Line Extension ≥ 10 Poles ≤ 18.1 days

Under the *Act,* the Board has authority to take measures to ensure NS Power's compliance with the performance standards, including ordering NS Power to pay an administrative penalty or to develop and file a plan for bringing itself into compliance with a performance standard, or both.

Through amendments to the *PUA* in 2022 (S.N.S. 2022, c. 27), ss. 52A and 52B were repealed and replaced to expand the scope for performance standards, give the Governor in Council additional authority over the establishment of performance standards, and to create an advisory council called the Performance Partnership Advisory Table.

Through amendments to the *PUA* in 2023 (S.N.S. 2023, c. 8), the Province repealed s. 52E and substituted new clauses, which came into effect upon receiving Royal Assent

on April 12, 2023. Subsequently in 2024, the *Energy Reform (2024) Act* expanded s. 53A(3) to include electrical inspections timelines and further amended s.52E:

> **Administrative penalties**
> **52E (1)** The amount of any administrative penalty to be paid by Nova Scotia Power Incorporated is the amount determined by the Energy Board or prescribed by the regulations to be appropriate in order to promote future compliance with the performance standards and not for a punitive purpose or effect or for redressing a wrong done to society at large.
>
> **(2)** The cumulative total of administrative penalties levied against Nova Scotia Power Incorporated in a calendar year must not exceed twenty-five million dollars.
>
> **(3)** Any administrative penalties levied against Nova Scotia Power Incorporated must be credited to customers as prescribed by the regulations.
>
> **(4)** Where a method of crediting administrative penalties to customers is not prescribed by the regulations, credits to customers may be allocated amongst Nova Scotia Power Incorporated's customers in any manner, in any amount and through any mechanism that the Energy Board determines appropriate.
>
> **(5)** Nova Scotia Power Incorporated may not recover any penalty imposed on it under this Section through its rates and may not include a penalty when determining its rate of return under this Act or the *More Access to Energy Act*.
>
> **(6)** The Governor in Council may make regulations creating a fund to be managed and maintained by Nova Scotia Power Incorporated to serve as a means of holding penalty funds to be paid out to customers.
>
> **(7)** The exercise by the Governor in Council of the Authority contained in subsection (6) is a regulation within the meaning of the *Regulations Act*.

These amendments significantly increased the cumulative total dollar amount of administrative penalties that can be levied against NS Power. Since the method of crediting administrative penalties to customers was not prescribed by regulations, the allocation, amount, and mechanism is to be determined by the Board as noted in article 52E(4).

PERFORMANCE RESULTS FOR 2024

Based on the results filed in its 2024 annual report, NS Power failed to meet its 2024 reliability performance standard targets for SAIDI and CKAIDI:

- SAIDI -- the result for 2024 was 5.26[1], which did not satisfy the target value of ≤4.29
- CKAIDI -- the result for 2024 was 31.81[2] for circuit 91W-411, which did not satisfy the target value of ≤ 19.00.

[1] This means that each NS Power customer experienced power outages over the entire year totaling, on average, approximately 5 hours and 16 minutes.
[2] Customers on this circuit experienced, on average, 31 hours and 49 minutes of outages over the year.

Other Reliability Reporting

In addition to the 14 performance standard metrics established for 2024, NS Power was also required to report on its "all-inclusive" SAIFI and SAIDI results, as well as its performance regarding planned outages. In Matter M10279, NS Power was directed to include an update on its progress in developing customer-level reliability data (CEMI-5 (Customers Experiencing Multiple Interruptions), CEMI-4, CELID-8 (Customers Experiencing Long Interruption Duration)).

Although "**all-inclusive**" SAIFI and SAIDI indices are not formally included as performance standards, these results, which do not exclude outages relating to the most impactful weather events, provide a broader portrayal of overall service levels being experienced by customers. Results for 2024 were 2.75 for SAIFI and 6.34 for SAIDI. This is a significant improvement from the 2023 levels of 4.97 for SAIFI and 23.03 for SAIDI and more closely aligned to results during years without hurricane events.

Regarding **planned outages**, NS Power was previously directed to include a year-over-year comparison, and to provide a summary of steps taken to reduce the number and duration of planned interruptions. Like the "all-inclusive" SAIFI and SAIDI measures, standards for planned outages have not been formally established.

During 2024, the planned outage indices for SAIFI and SAIDI were 0.78 and 1.08, respectively. These are both notably higher than the 2023 values of 0.56 for SAIFI and 0.62 for SAIDI, as well as the 2022 values of 0.39 for SAIFI and 0.63 for SAIDI. The number of planned outages decreased in 2024 to 1,166 from 1,938 in 2023, but is still much greater than the 2022 number of 467. NS Power attributed most of the 2024 planned outages to "safely completing reliability and capital upgrade work". The average duration of planned outages increased in 2024 to 2.21 hours from 1.97 hours in 2023. In addition, about 78% of customers experienced a planned outage in 2024, compared to 56% in 2023 and 39% in 2022.

It is worthwhile noting that these statistics do not include all planned outages. NS Power stated that during regular business operations, brief outages which are required to facilitate reliability and upgrade work are coordinated with customers in real time and are not coded as planned outages.

Performance data associated with **customer-level reliability** is summarized below:

- For CEMI-5 , 8.9% of customers experienced five or more sustained outages (excluding outages resulting from MEDs, EEDs and planned outages). This is greater than the 2017 level of 6.4%, but less than the five-year average of 9.9% and the 2023 level of 11.4%.

- For CEMI-4, 17.3% of customers experienced four or more sustained outages (excluding outages resulting from MEDs, EEDs and planned outages). This is greater than the 2017 level of 12.7%, but less than the five-year average of 18.7% and the 2023 level of 20.2%.

- For CELID-8, 24.7% of customers experienced eight cumulative hours of interruption in 2024 (excluding outages resulting from MEDs, EEDs and planned outages). This is less than the 2017 level of 27.1%, the five-year average of 28.3%, and the 2023 level of 31.2%.

Despite collecting CEMI and CELID performance level data for eight years, NS Power's position is that there is limited data available to establish related benchmarks.

INTERVENOR COMMENTS

The CA's Closing Submissions stated "The report shows that Nova Scotia Power failed for the eighth year in a row to meet one or more of its performance standards for reliability and customer service set by the Board. The Board should impose an appropriate administrative penalty to promote compliance with the performance standards in the future."

The CA noted that no EEDs, MEDs or hurricanes occurred in 2024 and the only other year that happened since the performance standards were established in 2017 was 2021. Also, the CA noted an NS Power IR response which revealed that 2024 was the worst performing year since 2020 regarding the number of customer interruptions and customer hours of interruption caused by tree contact when EEDs and MEDs are excluded from the analysis. Furthermore, although NS Power's performance in 2024 was better than 2023, that improvement needs to be reviewed in the context of a year without any EEDs, MEDs, or hurricanes.

A matter of significant concern raised by the CA was that NS Power apparently does not anticipate meeting all its performance standards until 2029. NS Power cited worsening weather due to climate change as a significant reason why it failed again to meet its performance standards.

Despite NS Power's argument that no administrative penalty should be imposed, the CA disagreed and stated that it is appropriate to impose an administrative penalty for 2024 which is equal to or greater than the penalty imposed for 2023.

The SBA's Submission noted NS Power's failure to meet the targets for SAIDI and CKAIDI, which it considers to be two key reliability performance standards. The SBA stated that its most critical concern was NS Power's failure to meet the SAIDI target since longer duration outages directly affect small businesses through loss of revenue and inventory, equipment damage, and overall productivity.

Despite noting that most metrics showed positive results in 2024, the SBA stated that it "…remains disappointed to see the continuation of poor results for the key reliability metrics of SAIDI and CKAIDI especially given the expectations set by the Board that require continuous improvement in performance metrics." The SBA repeated its prior concerns about NS Power's failure to meet performance standards and stated that customers should not have to wait until 2029 to see results that meet or exceed the performance standards.

Noting the CA's statement that 2024 was the eighth consecutive year that NS Power failed to meet all its performance standards, the IG supported the CA's recommendation to impose an administrative penalty for 2024 that is equal to or greater than the penalty imposed for 2023. The IG disagreed with NS Power's position that imposing an administrative penalty ultimately hurts customers. The IG stated that reducing the Fuel Adjustment Mechanism (FAM) balance (by crediting an administrative penalty to the FAM balance) has an immediate and direct effect and imposing the penalty "…has the benefit of emphasizing the importance of *at minimum* meeting the existing Performance Standards and incenting NSPI to improve its reliability with sufficient focus and urgency."

Regarding NS Power's suggestion that shareholder funds would be better spent on reliability, the IG stated that NS Power has not demonstrated how that could be done while complying with legislation which prohibits the penalty being borne by ratepayers. Furthermore, the IG disputed NS Power's argument that any penalty would strain its financial position and hinder investment, calling it "alarmist and made without supporting evidence", and noting that previous penalties have not been demonstrated to hinder investment.

BOARD ANALYSIS OF RESULTS

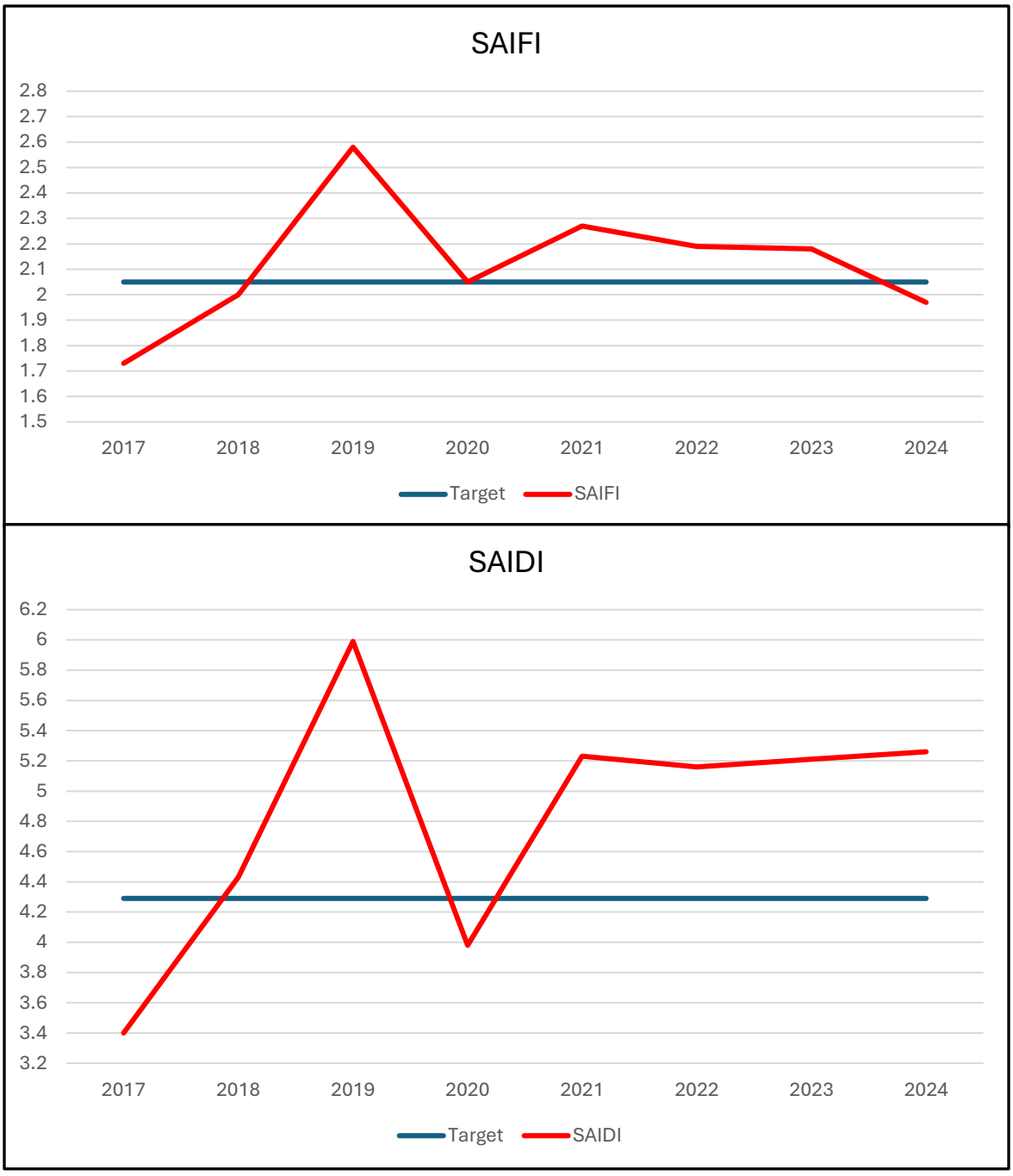
In considering the 2024 performance report, reviewing results and trends experienced from the time the standards were initially established in 2017 is helpful in presenting a broader overview of NS Power's performance. The following tables provide information extracted from reports filed by NS Power.

i) Reliability Performance

Table 1 presents NS Power's annual system-wide SAIFI and SAIDI reliability performance indices, excluding MEDs, EEDs, and planned outages. SAIFI has shown improvement in recent years and passed in 2024, the first time since 2020. However, SAIDI has generally gotten worse in recent years and failed the standard again in 2024, having not satisfied the target since 2020. Further, the lack of improved performance over the years has resulted in the targets remaining constant at the 2017 level.

Table 1 – Overall System Reliability Performance

	TARGET	ACTUAL
SAIFI		
2017	2.05	1.73
2018	2.05	2.00
2019	2.05	2.58
2020	2.05	2.05
2021	2.05	2.27
2022	2.05	2.19
2023	2.05	2.18
2024	2.05	1.97
SAIDI		
2017	4.29	3.40
2018	4.29	4.43
2019	4.29	5.99
2020	4.29	3.98
2021	4.29	5.23
2022	4.29	5.16
2023	4.29	5.21
2024	4.29	5.26

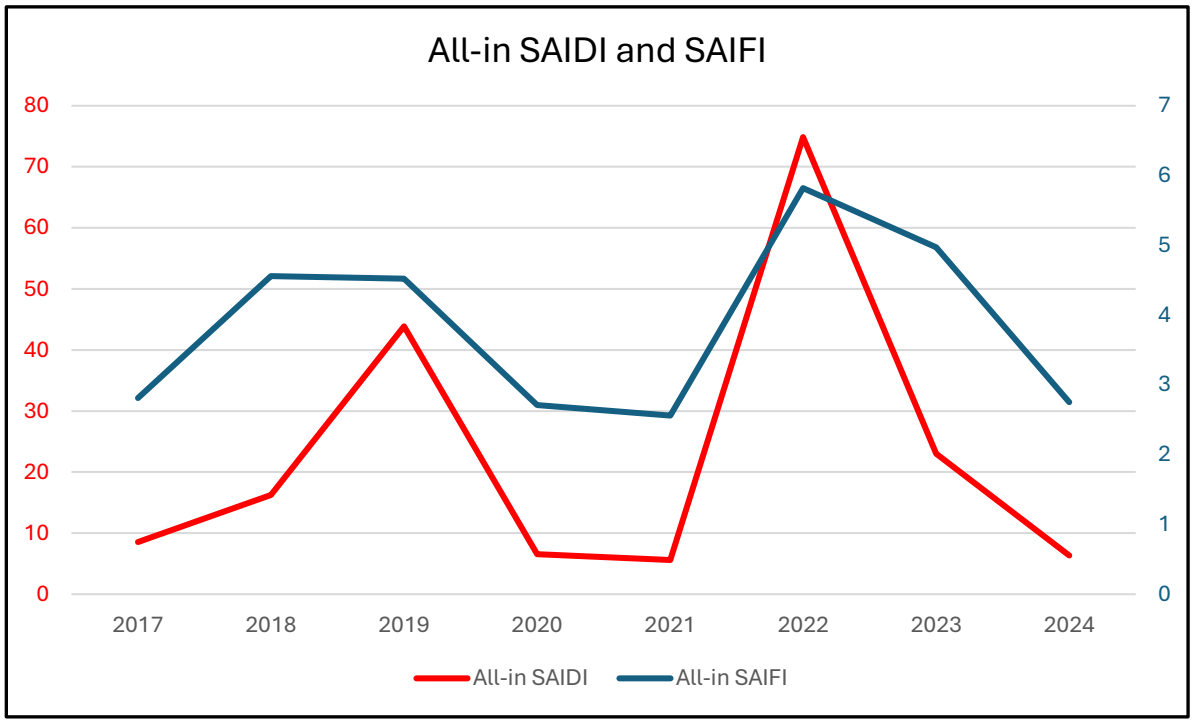


All-Inclusive SAIFI and SAIDI

All-Inclusive SAIFI and SAIDI indices provide a broader insight of reliability from the customer perspective. The outage frequency and duration indices appear to have a somewhat cyclical pattern, with improved results occurring during years when no EEDs or MEDs were experienced, as would be expected. Specifically, no EED events occurred in 2020, and no EED or MED events occurred in 2021 and 2024. However, storm events in 2022, particularly Hurricane Fiona, resulted in greatly deteriorated results that year.

Table 2 – All-Inclusive SAIFI and SAIDI Results

	All-In SAIFI	All-In SAIDI
2017	2.81	8.57
2018	4.56	16.26
2019	4.52	43.88
2020	2.71	6.57
2021	2.56	5.603
2022	5.82	74.87
2023	4.97	23.03
2024	2.75	6.34



Planned Outages

Like the All-Inclusive classification, planned outages are not formally included as approved performance standard metrics. However, this information provides valuable insight into operational activities and potential opportunities to improve overall outage performance.

Table 3 -- Planned Outages

	Number of Planned Outages	Average Customers per Planned Outage	Percentage of Customers Experiencing a Planned Outage	Average Duration per Outage (hr)
2017	429	409	35%	2.3
2018	420	354	29%	1.9
2019	402	356	28%	3.34
2020	490	257	24%	2.76
2021	572	258	28%	2.59
2022	467	440	39%	2.98
2023	1,938	147	56%	1.97
2024	1,666	256	78%	2.21

It should be noted that the above durations are averages for planned outage events, regardless of the number of customers affected, which is different from the system duration index SAIDI.

Table 3 shows a large increase in the number of planned outages and in the percentage of customers experiencing a planned outage during 2023. NS Power attributed that increase to a pause in live line work on lines of 600 volts or less, while it reviewed secondary voltage work practices and methods. However, during 2024, the number of planned outages remained exceptionally high and the percentage of customers experiencing a planned outage reached a new high of 78%. Comparing 2024 with 2021, both years during which no EEDs or MEDs occurred, the number of planned outages and percentage of customers experiencing a planned outage was nearly three times higher in 2024 than in 2021, which seemed to contribute to worse All-Inclusive SAIFI and SAIDI performance results as shown in Table 2.

Distribution Circuit Performance

The benchmarking methodology for CKAIFI and CKAIDI states that any circuit that is among the worst 5% of all NS Power circuits for two consecutive years shall be labeled as a "problem circuit". Any problem circuit that is among the worst 5% of all NS Power circuits for the third consecutive reporting year shall be labeled a "chronic circuit".

If the CKAIFI or CKAIDI value of a chronic circuit in a given year is greater than the average CKAIFI or CKAIDI value plus two standard deviations across all NS Power circuits in the same year, then the benchmark would not have been met, and NS Power could be subject to an administrative penalty.

During 2024, Middlefield circuit 91W-411 ranked among the worst 5% in outage duration (CKAIDI) performance for a third consecutive year and became a chronic circuit. Its performance index of 31.81 significantly exceeded the target of 19.00, thereby resulting in a performance standard failure. That circuit remains on the list for 2025.

The results achieved in 2024 are shown in the following two Figures as presented in NS Power's annual report:

Figure 30 – 2024 CKAIDI Results

	Top 5% 2024	2024 Ranking* (Percentage)	2024 CKAIDI Result	2024 Target**
91W-411	Y	98.9	31.81	19.00
57S-401	N	90.4	14.14	19.00
1W-411	N	89.6	12.94	19.00
4N-313	N	80.4	9.52	19.00
11S-411	N	70.6	6.53	19.00

Figure 31 – 2024 CKAIFI Results

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	Top 5% 2024	2024 Ranking* (Percentage)	2024 CKAIFI Result	2024 Target**
57S-401	Y	95.7	5.02	5.03
85S-401	N	88.1	3.90	5.03

*Feeders with a rank of 95-100 percent are ranked in the top 5th percentile of worst-performing feeders in 2024.
** The 2024 target reflects the average of the CKAIDI/CKAIFI values for the year plus two standard deviations.

Of particular concern is that 2024 has the largest number of problem circuits since 2017 to be identified with potential to become chronic circuits in 2025 if their reliability performance does not improve. The six circuits to be monitored for CKAIFI performance and the seven circuits to be monitored for CKAIDI performance are listed in Table 4.

Table 4 – Annual Listings of Problem Circuits

	2017	2018	2019	2020	2021	2022	2023	2024	2025
CKAIFI	Weymouth 16V-314 Pt. Tupper 1C-411 North Sydney 3S-301 Trenton 50N-410	Pugwash 7N-302 Whycocomagh 67C-411	Wreck Cove 85S-401 Upper Burlington 18V-413 SW Margaree 58C-403 Martins Brook 78W-302	Wreck Cove 85S-401 Upper Musquodoboit 88H-402 SW Margaree 58C-403	Wreck Cove 85S-401 Ruth Falls 96H-412 Port Hastings 2C-402 St Peter's 59C-402 Middlefield 91W-411	Port Hastings 2C-402 Dickie Brook 24C-442 St Peter's 59C-402	Bridge Ave 62N-413 Cleveland 22C-402 Keltic Drive 11S-411	Albert Bridge 57S-401 Wreck Cove 85S-401	Dickie Brook 24C-442 Albert Bridge 57S-401 Caledonia 57W-401 Caledonia 57W-402 Maitland Bridge 76V-301 Middlefield 91W-411
CKAIDI	Weymouth 16V-314 Wreck Cove 85S-402 Weymouth 16V-315 Parrsboro 37N-312	Wreck Cove 85S-401 Wreck Cove 85S-402 Port Hastings 2C-402	Wreck Cove 85S-401 Wreck Cove 85S-402 Upper Burlington 18V-413	Wreck Cove 85S-401 Upper Musquodoboit 88H-402 Aberdeen 9C-303 Whycocomagh 67C-411 Parrsboro 37N-413	Upper Musquodoboit 88H-402 Whycocomagh 67C-411 Wreck Cove 85S-401 Ruth Falls 96H-412 Upper Musquodoboit 88H-401	Cape Porcupine 100C-421 Whycocomagh 67C-411 Dickie Brook 24C-442 Conway 77V-401 Port Hastings 2C-402 Keltic Drive 11S-411	Cleveland 22C-402 Keltic Drive 11S-411	Upper Lake Falls 1W-411 Tatamagouche 4N-313 Keltic Drive 11S-411 Albert Bridge 57S-401 Middlefield 91W-411	Maccan 30N-412 Martin's Brook 78W-301 Martin's Brook 78W-302 Indian Path 80W-301 Reserve St 81S-305 Wreck Cove 85S-401 Middlefield 91W-411

ii) Response to Adverse Weather

NS Power's customer restoration performance results regarding Significant Event Day, Major Event Day and Extreme Event Day storms for 2024 and the seven previous years are summarized in Table 5 below. No SEDs, MEDs, or EEDs were recorded during 2024. Except for the 2022 impact from Hurricane Fiona, NS Power was able to satisfy the restoration performance targets in other years.

Table 5 – Annual Service Restoration During SEDs, MEDs and EEDs

	TARGET	ACTUAL
SED		
2022	95.05%	85.48% (1 event day)
2023	95.05%	No events
2024	95.05%	Not applicable*
MED		
2017	86.5 %	99.31% (4 event days)
2018	87.44%	99.86% (6 event days)
2019	88.41%	90.93% (6 event days)
2020	88.41%	98.45% (3 event days)
2021	88.41%	No events
2022	91.98%	74.88% to 100% (16 event days)
2023	91.98%	94.87% to 99.99% (9 event days)
2024	91.98%	No events
EED		
2017	65.3 %	98.41% (1 event day)
2018	66.28%	99.9% (2 event days)
2019	68.71%	76.06% (2 event days)
2020	68.71%	No events
2021	68.71%	No events
2022	78.38%	60.98% to 82.67% (3 event days)
2023	78.38%	96.40% (1 event day)
2024	78.38%	No events

* Only SEDs which fall after an MED or EED are considered under this metric. There were three SEDs throughout 2024, but they did not fall immediately after an MED or EED. NS Power experienced no MEDs, EEDs or SEDs (following a MED or EED) in 2024.

iii) Customer Service

There are four primary customer service performance standards established in the customer service category. Those are:

- Percentage of calls answered within 30 seconds
- Percentage of customer bills that can be estimated
- Customer notification of outages

- New service connection times, which includes five separate performance targets

During 2024, NS Power was able to achieve its annual performance targets in all four of the primary customer service standards listed above, including each of the five components under the new service connection standard.

However, when considering performance during each individual month, the results during the early months of 2024 were not aligned with the annual targets in certain components. In particular, the Pole or Transformer category and the Line Extension < 10 Poles category were both out of step with the annual targets during January to May, inclusive. As stated in previous Board decisions, although the customer service targets are currently established as annual targets, the Board expects NS Power to work towards achieving the target levels during each month of the year, not just on a 12-month basis.

Results for 2024 and the previous seven years are shown in Table 6.

Table 6 – New Service Connection Performance (Days)

	No Poles	Pole or Transformer	Temporary to Permanent	Line Extension <10 Poles	Line Extension ≥10 Poles
2017 Target	2.8	5.9	2.9	8.8	31.7
2017 Actual	2.2	4.2	2.3	5.2	12.1
2018 Target	2.4	5.2	2.8	7.4	26.9
2018 Actual	2.0	4.0	2.1	5.1	12.2
2019 Target	2.4	5.2	2.8	7.4	26.9
2019 Actual	2.3	4.6	2.5	6.3	21.5
2020 Target	2.2	4.4	2.8	5.8	25.8
2020Actual	2.1	4.3	2.6	5.6	14.6
2021 Target	2.2	4.4	2.5	5.8	25.8
2021 Actual	2.18	4.39	2.41	5.45	9.70
2022 Target	3.0	4.9	3.2	6.2	18.1
2022 Actual	2.98	5.09	3.73	6.38	12.02
2023 Target	3.0	4.9	3.2	6.2	18.1
2023 Actual	3.39	5.67	3.86	7.68	14.12
2024 Target	3.0	4.9	3.2	6.2	18.1
2024 Actual	2.14	4.71	2.23	6.01	7.52
2025 Target	3.0	4.9	3.2	6.2	13.7
2025 Actual					

FINDINGS

This past year is the eighth consecutive year that NS Power failed to meet one or more of its performance targets.

- In 2017, one of the targets, CKAIDI, was not achieved.
- In 2018, two of the performance targets, SAIDI and CKAIDI, were not achieved.
- In 2019, performance further deteriorated to the point that six targets were not achieved. Those metrics were SAIFI, SAIDI, CKAIFI, CKAIDI, Percentage of (regular business) calls answered within 30 seconds, and Percentage of customer bills that can be estimated.

- In 2020, NS Power failed to achieve two of its performance standards, CKAIDI and the Percentage of customer bills that can be estimated.
- In 2021, the four reliability targets, SAIFI, SAIDI, CKAIFI, and CKAIDI were not achieved.
- In 2022, three reliability targets, SAIFI, SAIDI, and CKAIDI as well as one customer service target and one adverse weather target were not achieved.
- In 2023, two reliability targets, SAIFI and SAIDI, and four of the five components in the New Service Connection Times customer service standard were not achieved.
- In 2024, two reliability targets, SAIDI and CKAIDI were not achieved.

In addressing the 2024 reliability targets that were not achieved, NS Power's report went into much detail to explain why the targets were not met and what it has been doing to improve reliability. Considerable effort was expended in describing the impact that climate change has had on weather patterns, including the intensity of wind and storms. NS Power lamented that the increased intensity of adverse weather also increased the thresholds used to determine whether certain storms previously classified as Major Events or Extreme Events were now being classified as normal conditions, thereby contributing to NS Power's failure to satisfy performance standard targets.

When questioned about its many references to wind speeds of 80 km/h or greater, NS Power explained that its treatment of hours of gusts exceeding 80 km/h includes any hour when such gusts occur, even if the gusts were brief or isolated within that hour. It also stated that the threshold of 80 km/h is not based on a specific industry standard for wind gusts, but is instead based on NS Power's historical experience with outage impacts from high winds. NS Power also stated that it is not aware of a widespread standard, such as the 80 km/h threshold, being used by other utilities.

In the previous performance standards matter, the SBA noted "…NSPI has referred to a "robust five-year reliability plan" but has not provided an actual written plan. It is essential for stakeholders to understand what NSPI plans to do in terms of reliability from a medium to long term view to understand why targets are not being met."

The Board agreed that a comprehensive written version of NS Power's Five-Year Reliability Plan was needed to understand how service improvements will be achieved, and against which progress in achieving the performance goals can be tracked. It also stated that the Plan must include specific actions and related timing, demonstrate why specific investments were selected, and quantify the level of reliability or resilience improvement expected from each investment. NS Power was directed to prepare such a plan and file it by December 31, 2024. In compliance, NS Power filed its Five-Year Reliability Plan with its 2025 ACE Plan.

In its 2024 Annual Performance Standards Report, NS Power stated that it is focused on executing the Five-Year Reliability Plan and over $1.3 billion is planned in reliability project investments between 2025 and 2029. The Plan was developed to allow the Company to consistently meet the existing Performance Standards targets by 2029 and is focused on investments in transmission and distribution systems through three core programs:

- Vegetation Management
- Targeted Equipment Replacements and Upgrades
- Advanced Grid Modernization.

When asked about the level of reliability improvement expected from the Plan, NS Power's response to Board staff IR-9 was that "the projected 20 percent improvement in

Performance Standards SAIDI by 2029 is based on a high-level analysis of the estimated contribution from each of the three core reliability programs. These estimates are derived from historical performance data and expected benefits based on the scope and scale of planned investments."

Furthermore, on page 82 of the report, NS Power stated:

> The Five-Year Reliability Plan commits $1.3 billion in investment over the next five years and should result in NS Power being able to meet the SAIDI and SAIFI reliability requirements consistently. [Emphasis added]

That statement and the IR response are of concern to the Board since they suggest a lack of certainty that the Five-Year Reliability Plan will lead to a 20% improvement in the SAIDI performance by 2029. That date is 12 years after the performance standard targets were initially established, which clearly indicates a lack of urgency to comply with the targets.

Similar concerns were raised in the 2025 ACE Plan Matter M12012. It was noted that NS Power did not provide details in the Plan about how the $1.3 billion spending will impact customer rates and a recommendation was put forward for the Board to engage a third-party to review the Plan to determine whether the goals are achievable and whether the Plan is well-designed. The Board agreed to engage an appropriate expert and directed NS Power to work with the Board's expert and stakeholders to help determine the scope of the review. Draft Terms of Reference are to be provided to the Board for review and the goal is to have the report by the 2027 ACE Plan.

NS Power's 2024 Annual Performance Standards Report also addressed the failure to satisfy the CKAIDI target for circuit 91W-411. NS Power stated that two significant events in 2024 contributed more than half of the total CKAIDI (16.84 hours of the 31.81 hours) on that circuit. On January 7, 2024, a logging truck was involved in a motor vehicle accident in the Buckfield area, breaking several distribution poles which caused a nine-hour outage affecting the entire circuit. Subsequently, on July 20, 2024, an outage of nearly 10 hours resulted from wildlife interference at the 91W substation, which impacted 1,241 customers. The outage occurred when wildlife bridged two phases on the source side of circuit 91W-411, causing the substation recloser to short circuit and require replacement.

NS Power stated that "If it were not for these two events which were out of NS Power's control, this feeder would have met the CKAIDI target in 2024." Although wildlife contact can sometimes be avoided by installing protective barriers, NS Power stated that it investigated that possibility after the incident but determined it was not an option in this situation due to limited spacing. The Board accepts NS Power's position that those incidents were mostly beyond its control.

NS Power stated that it is fully committed to complying with the performance standards and that it "embraces its accountability in the areas of reliability, adverse weather response and customer service not for the sake of meeting legislated requirements, but because it is the right thing to do for customers every day." In the annual report's introduction, NS Power stated:

> Beyond the commitment to safety, NS Power's top priority is to improve service reliability and the resilience of the power system for customers. This includes daily work on strategic investments to storm harden the grid, and proactive measures to address the challenges posed by climate change.

It also stated:

> Severe weather and changing thresholds of what constitute major and extreme event days make it increasingly difficult to meet the established reliability performance standards.
> …
> Notably, if the threshold for Major Event Days initially established in 2017 had remained, NS Power would have met the 2024 SAIDI performance target.

That latter point was echoed throughout the report. For example:

> As noted above, if the "storm day threshold" as initially established at the onset of Performance Standards (2017) was still in place, NS Power would have met the established SAIDI reliability metric in 2024 as shown in Figure 26. [pp. 48-49]

> As detailed in Section 3, MED and EED thresholds have increased significantly since 2017, by 60 percent and 51 percent, respectively. Consequently, the significant event days (SEDs) experienced in 2024 would have qualified as Major Event Days (MEDs) under the 2017 thresholds. This would have resulted in their exclusion from Performance Standards reliability metrics, leading to a 2024 SAIDI that met the annual target. [p. 73]

> Including outages that occur during significant events in the reliability metrics for normal conditions increases the challenge for NS Power to meet the established standards.
> …

> …the three storm events included in "normal conditions" in 2024 would have met MED status had the threshold initially established at the onset of the Performance Standards had been in place in 2024. These events would have been evaluated under the Adverse Weather Performance Standards and not included in the Reliability Performance Standards metrics, which would have resulted in the SAIDI standard being met in 2024… [p. 18]

Similar to previous years, NS Power continues to point to increasing weather challenges and the increasing frequency and intensity of storms as the reason for failing to achieve its reliability or customer service targets. The apparent reluctance to move beyond frequent referral to weather conditions that have changed as reasons for failure to achieve performance standards targets is concerning to the Board. Those types of statements do not instill confidence in NS Power's commitment or effectiveness in meeting the reliability challenges going forward.

In previous matters, the Board noted that if more frequent and damaging storms are becoming the new normal, NS Power needs to ensure that its performance, not just its investment plans, keeps up with those changes. The Board also highlighted that despite the changing climate, the need for a reliable electrical grid is likely more important than ever, considering an increasing trend towards electrification and the urgent need to rapidly decarbonize.

The Board recognizes that NS Power has taken measures to improve its performance and satisfy established standards and targets. Despite its recent initiatives and emphasis on improving reliability and service performance, it is the Board's view that progress has been lagging. It bears repeating that more needs to be done and with greater urgency. Customers are entitled to receive an appropriate level of service for the rates and fees they are charged

by the utility. It is not acceptable that non-compliance of the performance standards has become a normal occurrence for NS Power.

In its annual report, NS Power asked the Board not to impose an administrative penalty for its failure to meet all the 2024 Performance Standards and stated that it is aware of what needs to be done to improve reliability and is on track to making those incremental improvements each year. Its Closing Submission stated:

> Imposing an administrative penalty for failing to meet the Performance Standards ultimately hurts customers. Any penalty is paid by the shareholders and applied to reduce the FAM balance. It would be better for customers to have shareholder funds focused on reliability. Imposing an administrative penalty would only serve to further strain NS Power's financial position and hinder investment in the very projects needed to improve long-term performance.

A somewhat similar statement was put forward in the 2023 Performance Standards matter.

Both the CA and the IG disputed NS Power's statements and have recommended "an administrative penalty for 2024 that is equal to the penalty imposed for 2023, if not more." The amount of the administrative penalty imposed for 2023 was $1,250,000. Subsection 52E(2) of the *PUA* states that the "cumulative total of administrative penalties levied against Nova Scotia Power Incorporated in a calendar year must not exceed twenty-five million dollars."

The Board does not accept NS Power's statements that "Imposing an administrative penalty for failing to meet the Performance Standards ultimately hurts customers", or that "Imposing an administrative penalty would only serve to further strain NS Power's financial position and hinder investment in the very projects needed to improve long-term performance." The Board agrees with the IG that these comments are not supported by evidence and tend towards alarmism. By the same token, if there was evidence that NS Power was intentionally avoiding appropriate reliability investments to offset penalties for missing reliability targets, this might suggest that even larger penalties are warranted.

The Board recognizes NS Power's recent efforts to address reliability and service issues made more challenging by climate change, and also notes that performance has improved in 2024 above that experienced in 2023. However, 2024 is still the eighth consecutive year that NS Power failed to meet one or more of its performance targets.

Furthermore, as presented above, the Board continues to have concerns about NS Power's apparent reluctance to move beyond its frequent referral to changing weather conditions as reasons for failure to satisfy long-standing performance targets and its position that reliability targets will not be achieved until 2029, which is 12 years after they were initially established. The Board finds that imposing an administrative penalty is warranted, although not for a punitive purpose or effect, but to promote future compliance with the performance standards. The Board orders an administrative penalty of $1,000,000. As stipulated in the *Act*, NS Power "shall not recover any administrative penalty imposed on it under this Section through its rates." The penalty amount is to be credited to customers under the FAM mechanism no later than October 31, 2025.

PERFORMANCE TARGETS for 2025

Performance standards and targets for the 2022 to 2026 period were previously established in Matter M10279. However, certain targets require annual updating. Accordingly, updated targets for 2025 are noted in Attachment 1.

Yours truly,

Stephen T. McGrath, K.C.
Chair

Roland A. Deveau, K.C.
Vice Chair

Steven M. Murphy, MBA, P.Eng.
Member

c: William Mahody, K.C., Board Counsel
Participants M12185

Attachment 1 – 2025 Performance Standards

Metrics	Targets
Reliability	
System Average Interruption Frequency Index (SAIFI)	≤2.05
System Average Interruption Duration Index (SAIDI)	≤4.29
Circuit Average Interruption Frequency Index (CKAIFI)	Dickie Brook 24C-442 Albert Bridge 57S-401 Caledonia 57W-401 Caledonia 57W-402 Maitland Bridge 76V-301 Middlefield 91W-411
Circuit Average Interruption Duration Index (CKAIDI)	Maccan 30N-412 Martin's Brook 78W-301 Martin's Brook 78W-302 Indian Path 80W-301 Reserve St Glace Bay 81S-305 Wreck Cove 85S-401 Middlefield 91W-411
Response to Adverse Weather	
Customer notification of an oncoming severe weather event within a specific time frame	Within 4 hours of opening Emergency Operations Centre (EOC) (fixed for 2022 to 2026)
Percentage of calls answered within 45 seconds during a severe outage event	85% (fixed for 2022-2026)
Polite disconnect rate for all outage calls	10% or less (fixed for 2022-2026)
Estimated Time to Restore (ETR) updates communicated to customers during an outage	Provided without delay (fixed for 2022 to 2026)
Outage Report for >30,000 customers	Within 75 days for an EED or MED and 45 days for an SED
Percentage of customers restored within 48 hours of a severe weather event ➢ Significant Event Days (SEDs) ➢ Major Event Days (MEDs) ➢ Extreme Event Days (EEDs)	 95.05% 91.98% 78.38%
Customer Service	
Percentage of calls answered within 30 seconds	70% (fixed for 2022 to 2026)
Percentage of customer bills that can be estimated	No more than 2% (fixed for 2022 to 2026)
Customer notification of outages	As soon as known by NS Power (fixed for 2022 to 2026)
New service connection times ➢ Service Installation -- No Poles ➢ Service Installation -- Pole or Transformer ➢ Service Installation -- Temporary to Permanent ➢ Service Installation -- Line Extension less than 10 Poles ➢ Service Installation -- Line Extension greater than or equal to 10 Poles	 ≤3.0 days ≤4.9 days ≤3.2 days ≤6.2 days ≤13.7 days