



Nova Scotia Regulatory and Appeals Board

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January 14, 2026

Participants M12257

Dear Participants:

M12257 - Halifax Regional Water Commission - 2025 General Rate Application - Final Order

The Nova Scotia Regulatory and Appeals Board issued its decision in this matter on December 16, 2025 [2025 NSRAB 142]. Enclosed is the Board's Order issued January 13, 2026, implementing its findings outlined in its decision.

As directed, Halifax Water filed its Compliance Filing on December 23, 2025. On December 30, 2025, the Consumer Advocate and Rental Housing Providers Nova Scotia filed their comments about the Compliance Filing, and Killam Apartment REIT filed its comments on December 31, 2025. Halifax Water filed its response to the Intervenors' comments on January 5, 2026.

As requested by the Consumer Advocate, Halifax Water initially said in its reply comments that the revised revenue requirements will result in increases for residential customers of 12.1% on January 1, 2026, and 5.5% on April 1, 2026, for water, wastewater, and stormwater services, as outlined in Figure 41. Halifax Water filed a revised Compliance Filing on January 9, 2026, reflecting various errors and formatting issues that did not reflect the findings in the Board's decision. Most of these issues were typographical in nature, but Board staff had noted that the utility had inadvertently deleted the wastewater and stormwater related dividend payment in test year 2. In its revised Compliance Filing, Halifax Water incorporated this missing data in its rate study, resulting in increases for residential customers of 12.1% on January 1, 2026, and 6.0% on April 1, 2026 (an increase of 0.5% from the prior 5.5%), for water, wastewater, and stormwater services, as outlined in revised Figure 41. Halifax Water filed another revised Compliance Filing on January 13, 2026, to replace Regulation 31B(1) and (2), which were inadvertently deleted in the second Compliance Filing, and insert an effective date of July 13, 2026, in Regulation 36(5), as directed by the Board.

Halifax Water also confirmed in its reply comments that the amount of \$163,944 in depreciation expenses was already included in its response to Undertaking U-4, which represented its update to depreciation expenses for 2024-2025 requested by the Board during the hearing. This was reconciled in a table attached to its reply comments. The Board accepts Halifax Water's explanation on this point.

In its Compliance Filing, Halifax Water requested that the Board clarify whether its decision intended that Halifax Water withhold payment to HRM of \$1.078 million under the Grant in Lieu of Taxes/Dividend Agreement (GLTD Agreement). This issue was canvassed in the

Board's decision at paras. 209-215, including at para. 213. The Board confirms that it directs Halifax Water to withhold payment to HRM of the \$1.078 million dividend payment in the first test year under the GLTD Agreement, provided this payment has not already been made. In any event, the \$1.078 million amount is excluded from the revenue requirement in the first test year and cannot be deferred for collection in the future.

In its Compliance Filing, Halifax Water confirmed that before the Province will consider an exemption or clarification of the freeze on development charges, the utility must confirm with the federal government that such exemption will not jeopardize CHIP funding. Halifax Water stated it does not anticipate receiving confirmation of any exemption prior to January 1, 2026. Accordingly, the Regulations included in the Compliance Filing do not include increases in development fees and charges. The utility confirmed it will update the Board should it receive an exemption or if the freeze on development charges expires.

Finally, in its comments, Rental Housing Providers Nova Scotia asked the Board to reject Halifax Water's Compliance Filing and to substitute rate increases that are not consistent with the Board's decision. It further asked the Board to direct the utility to pursue a settlement agreement with ratepayers covering rate increases over the next five years. The Board notes that these comments are beyond the scope of this proceeding. The purpose of a Compliance Filing is to implement the Board's decision. The Board is satisfied that Halifax Water's Compliance Filing does reflect its findings.

Yours truly,



Lisa Wallace
Chief Clerk

Encl.

c William Mahody, K.C., Board Counsel

