

December 1, 2025

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

Re: M12273 – Nova Scotia Power’s Cybersecurity Incident – Monthly Update 4

Dear Ms. Henwood:

On July 14, 2025, the Nova Scotia Energy Board (NSEB, Board) directed Nova Scotia Power (NS Power, the Company) to file monthly progress reports about its response to the recent cybersecurity incident that impacted NS Power (Incident) and its progress in preparing the requested report about the Incident (Incident Report). The Company’s first monthly report was filed on August 20, 2025.

NS Power remains on schedule to provide the Incident Report to the Board on or before December 31, 2025.

On November 7, 2025, the NSEB provided the following direction in response to NS Power’s third monthly report:

1. Settle any outstanding dues of vendors or suppliers as soon as possible, and in the January monthly report, indicate what percentage of invoices remain pending, along with an aged-analysis of the payables and the reasons for the accounts outstanding beyond 30 days. The Board will also refer this matter to MNP to further investigate causes of the NS Power’s financial technology data compromise and assess its data handling practices.
2. In the incident report to be filed by the end of this year, please provide a Gantt chart that includes a list of all the summary tasks/rolled-up tasks currently undertaken to achieve full recovery. The chart should specify the expected completion time, start date, finish date, and percentage completion. If no progress is made from one month to the next, this should also be clearly indicated along with the reasons.

3. A separate chart is to be provided in the Incident Report which includes the list of Board matters or potential proceedings which are impacted and a forecast date for the restoration of normal activities in each matter.¹

The Company confirms progress is being made to address these items. With respect specifically to a chart regarding the list of Board matters, this will be provided in the Incident Report due by year-end per the Board's direction. In the meantime, the following provides NS Power's fourth Monthly Update Report and is intended to update the prior Monthly Update Reports and, therefore, should be read/considered in conjunction with those prior reports.

The information provided in this report is complete as at the time of filing to the best of NS Power's knowledge. As new information becomes available and/or additional progress is made in the Company's recovery efforts, it will be reflected in these monthly update reports.

Incident Impact and Response

Financial Enterprise Resource Planning

The IT and Finance teams continue to work diligently to restore financial enterprise resource planning systems safely and securely, allowing the Company to transition back from certain manual business continuity practices that had been implemented after the Incident. NS Power's ability to manage Fixed Asset and Project Accounting was re-established resulting in a resumption of automated end-to-end project lifecycle tracking and data supporting decision-making on property, plant and equipment investments.

A cross-functional team of employees and external partners continues to make progress on outstanding payments to suppliers and has put several measures in place to return to normal invoice payment processes and timelines. NS Power anticipates invoice payments will return to normal levels by the end of the year.

Customer Billing and Customer Systems

As the Board is aware, customer billing has been affected by the Incident. NS Power continues to address customer concerns as they arise and take proactive steps to address customer questions about estimated bills. As discussed in the Second Monthly Update Report, the Company has implemented a manual meter reading process as the Incident disrupted customer billing processes, online self-service functions, and meter data integration. Customer meters have continued to accurately record electricity usage. To date, approximately 75 percent of customers have now had at least one meter reading

¹ NSEB Letter, re M12273 - Board Inquiry into Nova Scotia Power's Cybersecurity Incident, November 7, 2025.

since the Incident, and the Company will continue to target the remaining 25 percent until communication with customer meters is re-established.

As also noted in the Second Monthly Update Report, in acknowledging that customers' billing experience was impacted by the Incident, NS Power has waived all late fees and paused collections and disconnections activity since the Incident for active customers. The Company is on track to reconnect customer meters with the billing systems beginning in December 2025, with all meters expected to be reconnected by the end of March 2026.

NS Power acknowledges and understands customer concerns with the estimated billing process. In the interim, the Company has provided flexible options for customers, such as Equal Billing, pay-what-you-can arrangements, and photo meter reads, along with waiving late fees and interest.

As some bills in November have caused concerns about overestimates, the Company is increasingly offering the option of a photo reading of customer meters, allowing for a quicker reconciliation of estimated amounts. An online form has been added to our billing website to allow customers to submit a photo reading.

For customers who were under-estimated and an actual meter reading results in a large balance, NS Power will work with customers to allow them to pay the balance over an extended period, up to 24 months.

When billing resumed in June, NS Power created website content at nspower.ca/billing to outline the billing process and options available for customers, and since then has included three separate bill inserts to communicate information regarding the impacts of the Incident on billing, and the need to estimate bills and adjust them once meters are read either physically or data is able to be retrieved remotely. These bill inserts have also all included notice of and direction to the website content. NS Power will continue to revise this content to reflect the current customer experience.

In addition to the foregoing, in a recent bill insert, NS Power also informed customers of the improvements made to the online customer portal (My Account) including new features and information on updated login screens for better security and user experience.

Customer Notifications

As noted in the Third Monthly Update Report, NS Power has continued to directly notify active customers whose data it has identified as having been impacted. This offers these customers an additional opportunity to sign up for credit monitoring if they had not already done so, after five years of free credit monitoring was made available to all current and former customers in June 2025, regardless of whether their data had been identified as having been impacted. The direct notification process has now been substantially completed.

Technology Enablement

Since the November 1, 2025 update, NS Power has rebuilt IT infrastructure in a prioritized way, enabling on-premise system deployment. While the Company has been restoring applications to the cloud previously and will continue to, this gives the option to restore certain applications that cannot, or otherwise should not, be built in cloud data centres, to be built in NS Power's on-premise data centre. Those applications will be well-positioned to leverage the recent deployment of a new immutable enterprise backup solution that protects those applications and their data from deletion, encryption, or manipulation.

Additional Capabilities

The Incident affected the management of solid fuel procurement, inventory, and back-office transactions for accounting and compliance. That capability was recently restored. Additionally, the ability to collect, store, and analyze real-time operational data from power plants was restored.

Ongoing Regulatory Matters

As a result of the impacts noted above, several matters before the Board have been affected. As noted at the outset of this report, the following updates what had been provided in the prior Monthly Update Reports.

Rates-Related Matters

Rates-related matters have been affected by the Incident.

Time Varying Pricing

On October 28, 2025, the NSEB issued its Decision, M12499,² regarding NS Power's Application for Approval of 2025/26 Time Varying Pricing (TVP) Tariffs of October 1, 2025. In its Decision, the Board directed the Company amend TVP rates to match the standard offer rate for the applicable class while system functionality is not available. This was made effective November 1, 2025 for Time-of-Use Tariffs and December 1, 2025 for Critical Peak Pricing Tariffs. The Company is finalizing its compliance filing which it expects to file in early December. In accordance with the Board's direction, NS Power will file an update on the Year Four (2024/25) TVP Evaluation Report before the end of the year.

² NSEB Decision, M12499 Application for Approval of 2025 2026 TVP Tariffs Decision Approved, October 28, 2025.

Extra Large Industrial Active Demand Control Tariff and One-Part RTP Tariffs

Since NS Power's last monthly update, NS Power has re-established the connection between Hitachi's Portfolio Optimizer (PortOps) software and NS Power's network, as well as re-established the Plant Information (PI) data system environment to reconnect to plants and systems and has begun to populate the necessary databases to restore the dependent processes. As noted in the Third Monthly Update Report, these systems are essential for re-establishing processes related to evaluating the ELIADC and determining the cost to serve PHP and One-Part RTP.

Capital and ACE Plan

Capital Budgeting/Finance Data

As noted in the Second Monthly Update Report, capital budgeting and finance data was affected by the Incident, including detailed 2025 ACE Plan budget data by CI being unavailable, resulting in an inability to produce detailed variance analyses. NS Power's capital asset accounting system (PowerPlan) is now operational, and work is underway to repopulate the system with costs incurred through the outage period.

While PowerPlan was unavailable, the Capital Planning teams at NS Power utilized detailed spreadsheets in the interim for business continuity, which allowed for the uninterrupted monthly capital filings, the development of the 2026 ACE Plan, and continued financial reporting requirements.

Fuel Adjustment Mechanism

As identified in the Second Monthly Update Report, Fuel Adjustment Mechanism (FAM) related matters have been affected by the Incident. The Company has commenced preparations for the 2024/2025 FAM Audit. Significant progress was made in November to recover prerequisite systems and data required for the 2024-2025 FAM Audit. The PortOps dispatch optimization software has been enabled with a cloud installation, which, together with PI system availability, will allow the business to reinstate dispatch optimization and Annually Adjusted Rates (AAR) reconciliation processes. Success was also achieved in restoring a portion of historical network drive information. Effort continues to remediate those areas of the network not initially restored. At present, this includes information related to solid fuel commercial activity and portfolio optimization. While typical data sources may not be available for all anticipated Data Requests, the Company will continue to make best efforts to provide the auditor with an alternative data set to validate the prudence of fuel costs management.

FAM Quarterly Reports

The Q3 FAM report filed on November 10, 2025 included manually produced Fuel Reports, in keeping with the Q2 report, and consistent with the explanation in the November 1, 2025 Incident update. Since the Third Monthly Update Report, cause codes related to PHP under the ELIADC have become available and were included in the Q3 report including the period from April 25, 2025.

As with the Q2 report, the majority of the data for the FAM report was able to be created through different processes, with a high degree of confidence that the data is accurate. Once systems are back online, any discrepancies will be trued up.

Dispatch Study Action Plan Quarterly Update

In its Dispatch Study Action Plan Quarterly Update provided to the NSEB dated September 26, 2025, the Company provided updates related to the Incident impacts on the ECC Optimization Tools Project. A revised expectation for final implementation is anticipated to be the end of March 2026. The project team continues to work to accelerate this project where possible.

Miscellaneous

Nova Scotia Power Maritime Link Q2 2025 Quarterly Report

As noted by the NSEB in its letter of September 17, 2025, the detailed allocation between the Maritime Link Project and sustaining capital costs is unavailable at this time due to the Incident, as reported by Nova Scotia Power Maritime Link (NSPML) in its Q2 2025 report. The NSEB went on to comment that “To the extent that NSPML relies on NS Power’s IT systems to prepare its filings, it would be helpful for NS Power to advise on the restoration of these services.” This issue has now been resolved and the allocation of the Maritime Link Project and sustaining capital costs was reported by NSPML in its Quarterly Report filed on October 15, 2025.

Joint-Use Agreement Proceeding

The Joint-Use Agreement Proceeding (M12149) has been affected by the cybersecurity incident.

NS Power’s response to NSEB IR-2 part (b), submitted to the Board on June 16, 2025, provided the following:

The costs to install new poles or replace existing ones are capital costs. NS Power has not completed an analysis of annual OM&G costs for poles covered by the JUA compared to the same OM&G costs assuming NS Power

had to own and maintain all the required poles without any cost sharing with Bell Aliant. Due to the cyber incident, an analysis cannot be completed at this time.³

NS Power's response to CA IR-3 parts (b), (d) and (e), submitted to the Board on August 20, 2025, provided the following, respectively:

Prior to the cyber incident, NS Power maintained live data tracking the duration of customer installations. The previous process for Bell Aliant Work Requests often included multiple steps that contributed to delays, such as a secondary site visit by a Bell representative to confirm site requirements, separate payments to Bell and NS Power, and delays in communication from Bell contractors to NS Power to resume installation work. Unfortunately, due to the cyber incident, NS Power is currently unable to access this historical data, as the application used for tracking is unavailable. Greater clarity on the availability of this data may be possible by the fall.

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Since the cyber incident, NS Power has not been able to formally create new tracking data for service times for power connections as effectively as before, as the links between applications used to track this information are currently unavailable.

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As noted in responses to part (b) and (d), NS Power had the capability to track installation timelines more effectively prior to the cyber incident. However, the incident has temporarily impacted the Company's ability to access and generate new tracking data for service times related to both NS Power and Bell poles, as the links between applications used for tracking are currently unavailable.⁴

NS Power's response to SBA IR-1 parts (b) and (c) provided the following, respectively:

Since the signing of the LOI, approximately 175 work orders have been created under the new line extension process. Please note this is an estimated figure, as NS Power is currently unable to validate the actual number of poles installed due to the recent cyber incident, which has limited NS Power's access to the relevant data.

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³ NESB IR-2, Joint-Use Agreement Proceeding (M12149), June 16, 2025.

⁴ CA IR-3, Joint-Use Agreement Proceeding (M12149), June 16, 2025.

The first quarterly Point of Construction Settlement has not yet been completed, as the necessary systems are currently being rebuilt following the cyber incident.⁵

Finally, NS Power's response to SBA IR-2 part (a) provided the following:

Due to the recent cyber incident, the pole settlement process has been delayed. One of the key systems required for this process, NS Power's GIS, is currently unavailable. GIS serves as the system of record for pole ownership and is essential for identifying the location of poles placed in Bell-owned poling areas. It will also be used to update ownership records once the quantity of poles to be purchased by Bell is confirmed. Without access to GIS, NS Power has not been able to fully execute or review the new process, and therefore, a formal agreement with Bell has not yet been finalized or signed.⁶

While some of the GIS services have been restored, the integrations required for the Joint Use tracking and reporting remain unavailable. GIS service restoration work continues with the necessary integrations expected to be available in Q1 2026. As noted in NS Power's Rebuttal Evidence and Final Submissions filed on November 17, 2025, although the new processes outlined in the Letter of Intent (LOI) have been in effect since March 3, 2025, the formal agreement referenced in the LOI has not yet been executed. NS Power and Bell have continued to advance discussions and conduct preliminary analysis using available data, and both parties anticipate formalizing the agreement in 2026. The matter is currently open before the NSEB by way of a written hearing proceeding.

Recovery Timeline

NS Power remains focused on restoring its most critical business functions, supported by key technologies such as enterprise reporting, data integration, and other foundational systems. Since the last monthly update, meaningful progress has been made in re-establishing these supporting capabilities, which has enabled the core functions outlined in the 'Incident Impact and Response' section. As restoration of major capabilities is expected to continue through 2026, the Recovery Program Office is prioritizing efforts to align with leadership directives and stakeholder expectations. These steps support a structured, forward-looking recovery process that keeps stakeholders informed and engaged.

⁵ SBA IR-1, Joint-Use Agreement Proceeding (M12149), June 16, 2025.

⁶ SBA IR-2, Joint-Use Agreement Proceeding (M12149), June 16, 2025.

Update on OPC Investigation

As noted in previous reports, the Office of the Privacy Commissioner of Canada (OPC) has initiated an investigation into the Incident, which remains ongoing. The Company continues to fully cooperate with the OPC and remains committed to addressing the OPC's concerns and resolving the investigation in an efficient and expeditious manner.

Standing Committee on Natural Resources and Economic Development

As the Board may be aware, Peter Gregg, CEO and Chris Lanteigne, Director of Customer Care, appeared before the Standing Committee on Natural Resources and Economic Development on November 25, 2025 and responded to questions related to the Incident. A copy of Mr. Gregg's Opening Statement is attached as Appendix A to this Report for your information.

Yours truly,

A handwritten signature in blue ink, appearing to read "Judith Ferguson".

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

Standing Committee on Natural Resources and Economic Development

November 25, 2025

Opening statement

Thank you for inviting us to today's committee meeting. I'm joined today by our Director of Customer Care, Chris Lanteigne.

At Nova Scotia Power, our commitment to providing reliable power to Nova Scotians has been unwavering for over 100 years. We recognize that the recent cyber event has affected the trust we have built with our customers, and I want to acknowledge and apologize for the concern and disruption this has caused.

Over the past 215 days, our team has worked around the clock to restore and strengthen our systems and to support our customers. And we recognize that the cyber incident continues to impact our customers, including concerns about estimated bills. To you the committee, and to all Nova Scotians, my promise to you is if we have overestimated your bill, we will fix it. If you have overpaid, we will fix it. And if we make a mistake, we will fix it.

This incident was an unprecedented, sophisticated, and targeted attack. Based on expert assessments and intelligence, there is a high degree of confidence that the activity was closely associated with a Russia-based threat actor group.

While we have made significant investments in cybersecurity, these types of threats are becoming increasingly complex and challenging for organizations worldwide. Thanks to our robust systems, ongoing investments, and the dedication of our people, we ensured that core operations and the electric grid continued uninterrupted – no power was lost to Nova Scotians.

There is still much work ahead, and as our investigation into the incident is almost complete, we continue to learn important lessons from this event. Since the attack, we have implemented a comprehensive recovery plan and made progress in several areas, such as continuously evolving IT security processes and protection systems, upgrading our online customer account portal, launching a new secure cloud-based customer communication system, and upgrading our financial systems to return to paying our suppliers in an appropriate timeframe.

Most importantly we remain focused on the impact this has had on Nova Scotians. We understand the ongoing challenges related to billing, payments to our suppliers, and longer wait times to speak with our care team, and we are working diligently to resolve

them. Restoring all systems will take time, but we are providing flexible options for our customers – such as equal billing, pay-what-you-can arrangements, and photo meter reads – until we're able to reconnect our systems and provide up-to-date bills.

Except for tax reporting purposes, we no longer collect social insurance numbers and are on track to complete their removal from our systems by March 31st. We are also on track to reconnect customer meters with our billing systems by the end of March. Our team has worked to address outstanding payments to suppliers, and we expect to be caught up on these payments before the end of the year.

I want to recognize the remarkable efforts of Nova Scotia Power employees, who are also our customers. Their resilience and innovation have been critical in supporting our customers during this challenging time.

While responding to this incident has required significant resources, our core mission remains: to provide reliable and affordable power. Over the past year, we have invested more than 200 million dollars in reliability, including replacing 3,000 power poles across the province and clearing trees from 1,500 kilometers of power lines. We continue to make essential investments to meet our customers' energy needs and strengthen future resilience.

In September, we submitted a General Rate Application to our regulator. There is never a good time to request an increase to power rates. At the same time, the reliability investments we've applied for cannot wait. This rate application was developed in collaboration with customer advocates who have agreed that the request strikes the right balance between affordability and reliability. We appreciate the vital role of Nova Scotia's independent regulator and welcome the transparent and public process with the Energy Board in January. We continue to fully cooperate with ongoing cyber investigations by both the Nova Scotia Energy Board and the Office of the Privacy Commissioner of Canada.

In closing, I want to reiterate our commitment to supporting Nova Scotians, minimizing the impact of this incident, and rebuilding trust. We do not take this responsibility lightly. Again, my promise to you is if we have overestimated your bill, we will fix it. If you have overpaid, we will fix it. And if we make a mistake, we will fix it.

We thank our customers for their patience and understanding as we work through this difficult and evolving situation.

Thank you for the opportunity for this important discussion today.