



NOVA SCOTIA ENERGY BOARD

NOTICE OF PAPER HEARING

**Application by
Nova Scotia Power Incorporated
For Approval of a Financing Order authorizing the securitization of \$1 billion
in costs, collected through a Securitization Cost Recovery Rider**

The Board has received an application from NS Power, under s. 35G of the *Public Utilities Act* and s. 3 of the *Financing Orders and Securitized Bonds Regulations*, for approval of a financing order authorizing the securitization of \$1 billion in costs, collected from customers through a Securitization Cost Recovery Rider. The application requests approval of the following:

- The securitization of the Securitized Costs and Financing Costs, including:
 - i. \$740.6 million related to the retirement of thermal generation assets (including coal plants), being the unrecovered net book value of thermal generation assets as at December 31, 2025, and deferred financing costs accrued from May 1, 2026, through November 30, 2026;
 - ii. \$214.5 million of fuel and purchased power costs, being the forecast under-recovered costs in the Fuel Adjustment Mechanism (FAM) as at September 30, 2026, and forecast future FAM under-recoveries for Q4 2026 and 2027;
 - iii. \$12.2 million forecast for the Port Hawkesbury Paper (PHP) Deferral account, as of December 31, 2026 (the deferral account was previously approved by the Board for collection);
 - iv. \$20.2 million for the Nova Scotia Independent Energy System Operator (IESO NS) Deferral account, being the actual deferral account balance as at August 30, 2026, and forecast deferrals from September 1, 2026, to March 31, 2027 (the deferral account was previously approved by the Board for collection); and
 - v. \$12.5 million for Financing Costs for the issuance and administration of the Securitized Bonds, including Upfront Financing Costs and Ongoing Financing Costs.
- The imposition of irrevocable Securitized Surcharges necessary to recover the Securitized Costs and Financing Costs from all existing and future customers through the proposed Securitization Cost Recovery Rider, which is to be set annually based on the approved revenue requirement and forecast sales.
- The allocation of the Securitized Surcharges among the customer classes based on a cost-of service analysis approved by the Board.

- The approval of a Formula-based True-up Mechanism to provide for periodic adjustments, at least annually, to the Securitized Surcharge to correct any over-collections or under-collections.
- Other findings and directions by the Board allowing the securitization transaction to occur, including the flexibility to be afforded to NS Power to set the terms and conditions of the Securitized Bonds; finding that NS Power can sell, assign and transfer the Securitized Property to a limited partnership to be formed by the utility, which will be an Assignee under the *Regulations*, and which will constitute an absolute transfer of the Securitized Property; that the Securitized Surcharge collections are held in trust for the limited partnership and the indenture trustee and are not subject to set-off; and exemptions required to the Affiliate Code of Conduct and Cost Allocation Manual arising from implementing the securitization transaction.
- NS Power estimates that for 2027, the Securitized Surcharge revenues of \$67.2 million would be recovered from customers, with \$62.7 million to be recovered from FAM customer classes. This would result in an average rate increase of about 3.3% for FAM customer classes through an interim Securitization Cost Recovery Rider effective on January 1, 2027 (i.e., 2.9% for the Domestic Service-Residential class).

Based on a 30-year amortization period, NS Power estimates that the securitization will result in customer savings of \$265.6 million. The savings arise because, after securitization, the financing is based on 100% debt financing. NS Power's shareholders would no longer earn a return on the assets.

The Board will conduct a paper hearing in this matter and the following timetable will apply:

Technical Conference by NS Power	Thursday, October 15, 2026
Information Requests (IRs) to NS Power	Thursday, October 22, 2026
Notices of Intervention	Thursday, October 22, 2026
Responses to IRs from NS Power	Thursday, October 29, 2026
Evidence by Board Counsel Consultants	Monday, November 9, 2026
Written Submissions by Interested Parties	Wednesday, November 18, 2026
Written Reply Submissions by NS Power	Wednesday, November 25, 2026

More details about this Application may be viewed on the Board's website at <https://nserbt.ca/nseb> by clicking on "Matters & Evidence", and in the "Go Directly to Matter" search box, enter Matter No. **M13133**.

You may make written comments by sending a letter to the Clerk of the Board at P.O. Box 1692, Unit "M", Halifax, NS B3J 3S3, or secure file transfer service by visiting <https://board.titanfile.com/NSEB/> or by fax at (902) 424-3919 by Wednesday, November 18, 2026.