

February 5, 2026

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 5

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 cybersecurity incident that impacted NS Power (Incident) in the spring of 2025 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.

Monthly update 4 was filed December 1, 2025 and NS Power filed the Incident Report on December 22, 2025. This Monthly Update 5 is intended to be an update to all prior reports and therefore should be read/considered in conjunction with the prior report.

With respect to the Restoration Roadmap Gantt Chart that was filed as Appendix A to the Incident Report, NS Power is including an updated chart as **Attachment 1** to this Monthly Update 5.

With regard to the Ongoing Regulatory Matters section of prior monthly reports, for ease of reference and tracking, it will now be provided in the table-form in which it appeared in Appendix B of the Incident Report. An updated version of the table is included as **Attachment 2** to this Monthly Update 5.

It is NS Power’s intention to provide updated versions of Attachments 1 and 2 in subsequent updates.

The information provided in this report is complete 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 future monthly update reports.

Incident Impact and Response

Financial Enterprise Resource Planning

NS Power has continued to advance the restoration of key financial enterprise resource planning capabilities necessary to support normal business operations. Work to strengthen purchasing, vendor payment processing, project accounting and expense management has progressed, enabling NS Power to advance in addressing outstanding payment backlogs, improve processing timeliness, and support more predictable financial workflows.

With respect to what percentage of invoices remain pending, along with an aged analysis of the payables and the reasons for the accounts outstanding beyond 30 days, Nova Scotia Power has made significant progress in reducing the post-cyber-event invoice backlog and returning to normal operating levels.

Since the peak backlog on November 5, outstanding invoices have been reduced by approximately 64 percent and accounts payable volumes are now at a normal and manageable level. Please refer to the table in **Attachment 3**. NS Power's standard payment terms are net 35 days, and the figures reported in Attachment 3 represent a point-in-time snapshot of a dynamic, rolling population of invoices that increases as new invoices are received and decreases as payments are processed, and can vary depending on the time of year. The current volume of unpaid invoices is now trending to be in the range experienced immediately prior to the cyber-attack. While some invoices remain outstanding beyond 30 days - primarily due to invoice validation, matching requirements, or the timing of receipt, the overall trend continues toward pre-cyber levels. The backlog has been substantially addressed.

Enhancements to NS Power's purchasing and invoicing capabilities have allowed teams to refine approach processes, continue reducing the number of items requiring manual intervention, and progress towards more automating handling of supplier transactions. In parallel, efforts to reinforce cost tracking and project accounting functions have supported improved visibility into capital and operating activities across the organization.

NS Power continues to prepare for the upcoming introduction of additional financial management functions, including improvements to inventory handling and expense processing. Planning and sequencing work is underway to validate that functionality is restored safely, aligns with operational priorities, and minimizes disruption to year-end and month-end activities.

These combined efforts contribute to a gradual return to more stable financial operations and support NS Power's overall restoration progress.

Customer Billing and Customer Systems

NS Power has continued to make progress in restoring customer billing capabilities. Smart meter connectivity has been re-established for most customers, enabling the ongoing collection of meter data needed to support billing activity. The first bills with data from smart meters reconnected to the billing system were issued on December 23, 2025. As of January 15, 2026, approximately half of our meters were communicating with our billing system, and combined with continued manual meter reading efforts, over 84 percent of customers have been receiving actual reads on their bills in January 2026. As of the end of January, more than 400,000 meters have successfully delivered usage information to NS Power systems, demonstrating improved stability in meter data collection.

Work is advancing to fully reconnect meter data to NS Power's billing platform. The integration required to allow meter information to flow from the field system into the customer system is being implemented, a key step toward resuming standard automated billing processes.

Further information is included in NS Power's response to the request for further information from the Nova Scotia Legislature's Standing Committee on Natural Resources and Economic Development, which is provided as **Attachment 4** to this Monthly Update 5.

Customer self-service capabilities are also progressing. NS Power is prioritizing the deployment of the enhanced customer portal and go-live preparations are now underway to improve secure access for our customers.

Restoration of systems used to process specialized meter data has continued. Historical billing data has been recovered, and the technical environment required to validate and resume these functions has been rebuilt, supporting the staged reintroduction of additional billing capabilities.

Finally, customer communication tools continue to be restored. Email functionality between customers and service advisors has been re-enabled, and work is underway to address remaining dependencies and to restore full and reliable service channels.

Technology Enablement

NS Power has continued to strengthen foundational technology required to support core business operations. Key integrations across operational systems have been

restored, and work to restore and further fortify network and security infrastructure is progressing as planned, including the replacement of virtual firewalls with physical devices to support system reliability.

Preparation of the Disaster Recovery environment has continued to advance, with infrastructure for this site fully configured and deployed, and required backup and computer hardware shipped and staged for installation. These activities support NS Power's broader resiliency objectives for restoration of dependent applications and systems.

Additional Capabilities

NS Power continues to expand access to real-time operational data, with progress made in restoring the plant information systems and onboarding users for access. Connections have now been established for several generating assets, improving the visibility of plant output and operational oversight.

Reporting and analytics restoration has also advanced, with the majority of prioritized business-critical reports now rebuilt and available to support decision making. Interim analytics capabilities have also been enabled, allowing operational teams to maintain essential reporting functions while long-term solutions are finalized.

Restoration of additional applications that support operational and administrative processes is ongoing. Work continues on asset management systems, including completion of core infrastructure set up, data restoration, and preparation for validation and configuration. Other specialized applications – such as those supporting power plant workflows and engineering document management – are progressing through rebuild and installation activities.

Finally, efforts to restore capabilities used for fuel management and data integration continue. Planning for test environments and vendor alignment continues, and mitigation steps have been initiated to ensure critical reporting and operational needs remain supported.

Cybersecurity

NS Power is continuing to advance and strengthen overall cybersecurity readiness, to restore and validate critical cybersecurity control effectiveness.

Recovery Timeline

NS Power remains focused on restoring its most critical business functions by continuing to rebuild and stabilize the supporting technologies and infrastructure

that enable them. Over the past month, significant progress has been made in strengthening foundational platforms such as reporting, data integration, network infrastructure and system access, all of which underpin core operational and customer-facing capabilities.

Meaningful advancement has occurred across the technology environment, including restoration of key integrations, networking components, advancement of Disaster Recovery site preparation and improvement of data availability for operational systems. These improvements have directly supported enhancements in billing, customer systems, financial processing and operational data access described in the Incident Impact and Response section above.

With restoration and continued enhancement of major systems expected to continue through 2026, the Recovery Program Office is prioritizing work sequencing to restore remaining capabilities safely while aligning with operational needs and supporting long-term business resiliency. This includes active management of resource dependencies, continued coordination across business and technical teams, and alignment with leadership directions and stakeholder expectations.

Together, these efforts support a structured, forward-looking recovery and restoration process that maintains momentum, provides transparency on progress and helps to inform and engage stakeholders as NS Power advances toward full restoration and enhancement of its technology and business environment.

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. 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.

Yours truly,



Blake Williams
Senior Director Regulatory

Executive Summary

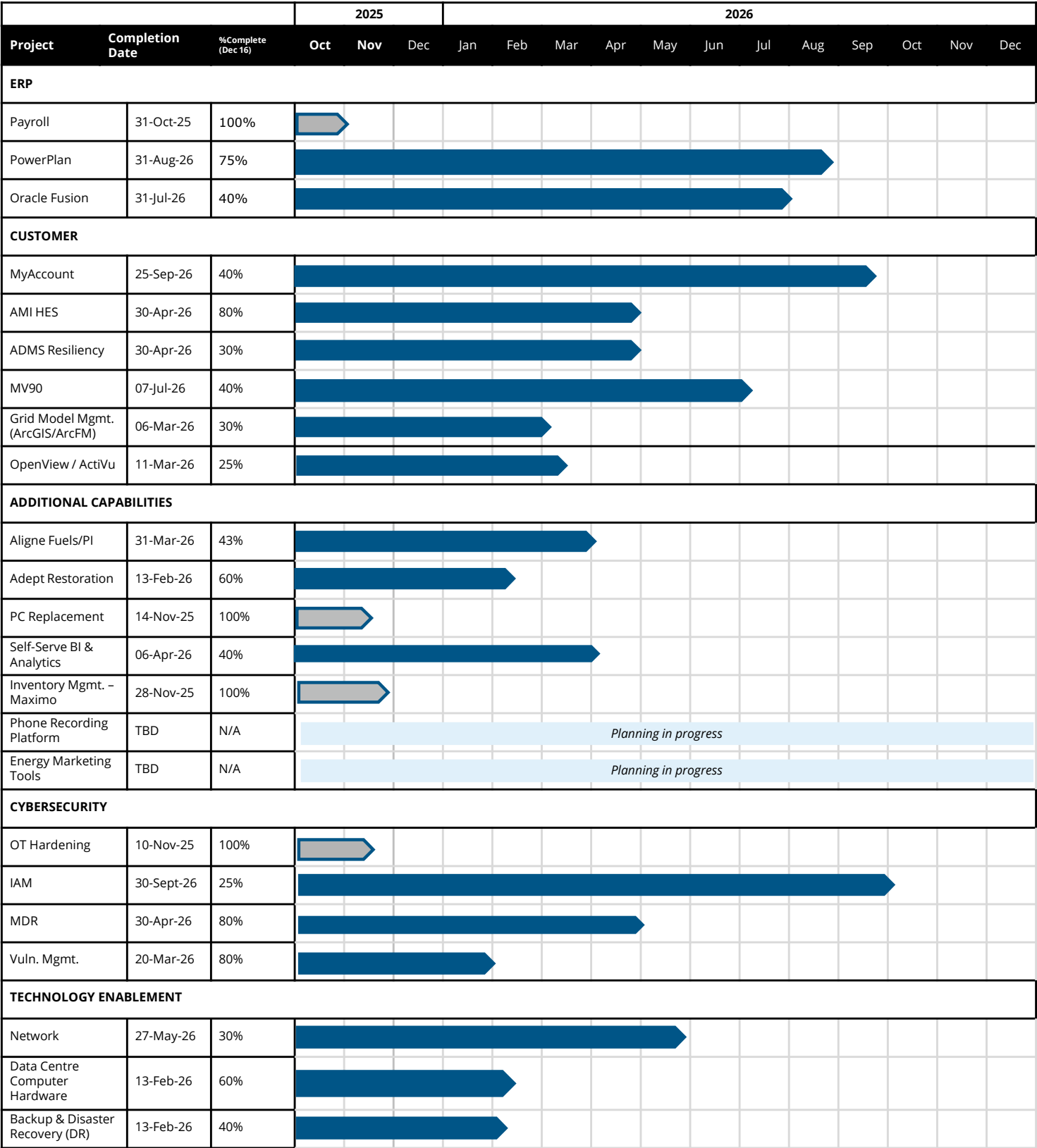
The following page outlines the key initiatives that are currently in flight to support our recovery and restoration efforts. Percentage completion has also been provided to inform our progress on our restoration journey.

PROGRAM STRUCTURE

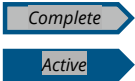
The Restoration Program is structured into five (5) key portfolios of work – focusing on restoring business capabilities.

Portfolio	Scope Summary
Enterprise Resource Planning (ERP)	Recovery and restoration of core enterprise resource planning systems—PeopleSoft Payroll, PowerPlan, and Oracle Fusion—to ensure continuity of payroll, financial, and asset management operations.
Customer	Recovery and restoration of advanced metering systems, distribution operations platforms, and customer-facing platforms (such as contact centre and online account services) to ensure accurate billing, service delivery, and accessible customer support.
Additional Capabilities	Recovery and restoration of critical supporting capabilities, including energy trading systems, plant information, engineering document repositories, inventory management, and end-user computing.
Cybersecurity	Restoration of foundational cybersecurity controls and protections to ensure safe, secure and resilient operations.
Technology Enablement	Recovery and restoration of core technology infrastructure – including network, backup and disaster recovery, servers and other data centre equipment to support the reliable operation of business systems.

Restoration Roadmap



The dates shown in this Gantt chart represent the current planned schedule for the Restoration Program Office (RPO) initiatives. These timelines are subject to change based on evolving priorities, resource availability, and unforeseen dependencies.



Restoration Roadmap

SUMMARY OF CHANGES

The following projects experienced adjustments to their completion timeline. An overview of the changes and associated rationale is outlined below:

Pillar	Project	Summary of Change	Rationale
Enterprise Resource Planning (ERP)	PowerPlan	PowerPlan target completion date was adjusted from 31-Jul-26 to 31-Aug-26.	Timeline adjustment was approved to support additional scope required to address integrations necessary for business-as-usual operations.
Customer	AMI Head End System (HES)	AMI HES target completion date was adjusted from 31-Mar-26 to 30-Apr-26.	Shift in completion date is to accommodate project close-out activities. The forecast date for reconnecting smart meters remains March 31, 2026.
Customer	ADMS Resiliency	ADMS Resiliency target completion date was 17-Apr-26 and has been updated to 30-Apr-26.	Resourcing constraints experiences as a result of illness and storm response impacted timelines by approximately ~1 week.
Additional Capabilities	Aligne Fuels & PI	Aligne Fuels & PI target completion date was adjusted from 31-Dec-25 to 31-Mar-26.	Previously reported date (31-Dec-25) was preliminary scope to restore foundational capabilities. Additional scope has been approved through a Change Request (CR) to return to business-as-usual operations.
Additional Capabilities	Self-Serve Analytics & BI	Target completion date was previously reported as "TBD" and has been updated to 06-Apr-26.	Project team completed remaining planning activities required to inform target completion dates.
Cybersecurity	MDR	MDR target completion date was reported as 30-Jan-26 and has been updated to 30-Apr-26.	A Change Request was approved to include additional logging and monitoring support with a third-party provider (Observo) that was not initially included in planned timeline.
Cybersecurity	Vulnerability Mgmt. (VM)	VM target completion date was 30-Jan-26 and has been updated to 20-Mar-26.	A new third-party service has been engaged to support restoration of vulnerability management capabilities which impacted previously forecasted timeline.

Affected Regulatory Matters	Report 2 - October 1	Report 3 - November 3	Report 4 - December 1	Report 5 - February 4	Latest update Jan 31, 2026	Forecast Restoration of Normal Activities Updated Jan 31, 2026
Rates-Related Matters						
Time Varying Pricing	Introduced	Updated	Updated	Updated	<p>Update: Systems required for the Evaluation are available. The Year 4 (2024/25) Evaluation work is underway and is expected to be completed in Q2 2026 with the Evaluation Report to be filed as soon as it is completed, In accordance with the Board direction in M12499.</p> <p>Prior to re-instating TVP rates, the full restoration of: AMI meter communications, a meter data management system, My Energy Insights, and TVP specific technology capabilities and integrations are required. These systems, once online, need to achieve a high level of performance in terms of advanced features and performance in order to administer TVP Rates.</p>	<p>Year 4 (2024/25) Evaluation Report expected to be completed and filed in Q2 2026.</p> <p>All Systems required for the administration of TVP Tariffs expected to be restored by the end of Q3 2026.</p>
Time of Use - Real Time Pricing Tariffs	Introduced	NA	NA	NA	NA	RTP report will be completed in Q2 2026
Extra Large Industrial Active Demand Control Tariff &One-Part RTP Tariffs	Introduced	Updated	Updated	Updated	Work continues to populate the databases associated with the PortOps software to allow for the evaluation of the ELIADC and for determining cost to serve PHP and One-Part RTP. Preliminary modeling has begun to verify the integrity of the modeling results and begin to populate data for the missing periods.	Data processing and PortOps modelling for the 2025 period is expected to be completed by February 28, 2026.
Renewable to Retail Information	Introduced	NA	NA	NA	NA	The model used to prepare the Cost of Service Breakdown was available in January 2026. The Company expects to file its 2025 Report in Q1 2026, consistent with the timing of prior Reports.

Affected Regulatory Matters	Report 2 - October 1	Report 3 - November 3	Report 4 - December 1	Report 5 - February 4	Latest update Jan 31, 2026	Forecast Restoration of Normal Activities Updated Jan 31, 2026
Customer Billing						
Customer Billing	Introduced	NA	Updated - Pulled up under the Incident Impact and Response section	Updated	<p>Update: As the Board is aware, the incident has affected customer billing. NS Power is actively addressing customer concerns and questions about their estimated bills. As discussed in the Second Monthly Update Report, we have implemented a manual meter reading process to ensure accuracy, as the incident disrupted our billing processes, online self-service functions, and meter data integration. It's important to note that customer meters have continued to accurately record electricity usage.</p> <p>Considering the impact on our customers' billing experience, we have taken several measures to support them. We have waived all late fees and paused collections and disconnections activities for active customers since the incident. This decision was also noted in the Second Monthly Update Report.</p> <p>On December 23, 2025, we issued the first bills using over-the-air data, and in January 2026, over 84% of bills have had true reads. We can now retrieve billing information over-the-air for approximately 400,000 meters, and we anticipate all meters will be reconnected by the end of March 2026. To ensure accuracy, we continue to leverage meter readers to physically read meters whenever necessary.</p> <p>We understand that the estimated billing process has raised concerns among our customers. To address this, we have provided flexible options such as Equal Billing, pay-what-you-can arrangements, and photo meter reads. Additionally, we have waived late fees and interest to further support our customers.</p> <p>In response to concerns about overestimated bills in November, we are increasingly offering the option of submitting a photo reading of customer meters. This allows for quicker reconciliation of estimated amounts. We have added an online form to our billing website, promoted through bill inserts, to facilitate this process for our customers.</p> <p>For customers who were under-estimated and now face a large balance due to an actual meter reading, we are offering the option to pay the balance over an extended period, up to 24 months. This flexibility aims to ease the financial burden on our customers.</p> <p>NS Power has also hosted community sessions across the province to help customers who have billing questions. We hosted sessions in Yarmouth, Middleton, Digby, Truro, and Port Hawkesbury and will reschedule sessions cancelled due to weather in Sydney and Guysborough next month. We will be assessing options for further sessions, and our Customer Care centre is able to support customers who have questions over the phone.</p> <p>Leveraging feedback from the Affordable Energy Coalition, NS Power created more content to help increase customer awareness of the options available to them. We promoted this content in December and January on connected TV, radio, social media and paid search advertising.</p> <p>When billing resumed in June, we created comprehensive website content at nspower.ca/billing to outline the billing process and available options. Since then, we have included four separate bill inserts to communicate information about the incident's impact on billing, the need for estimated bills, and the option of submitting a photo of a meter reading. These bill inserts also direct customers to our website for more detailed information. We will continue to update this content to reflect the current customer experience.</p>	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.
Capital and Ace Plan						
CapitalBudgeting/Finance Data	Introduced	NA	Updated	Updated	Update: Work continues to repopulate powerplan	Full PowerPlan restoration is expected in Q2 2026.
CIS Replacement Project	Introduced	NA	NA	Updated	Update: Per Board direction, we included a CIS Update section in the 2026 ACE Plan (M12619), and the project is included in the 2026 ACE Plan subsequent submittal list.	As noted in the October monthly update, an application for this project is expected to be submitted to the NSEB in 2026.

Affected Regulatory Matters	Report 2 - October 1	Report 3 - November 3	Report 4 - December 1	Report 5 - February 4	Latest update Jan 31, 2026	Forecast Restoration of Normal Activities Updated Jan 31, 2026
NS – NB Reliability Intertie Project	Introduced	NA	NA	NA	NA	The Reliability Tie project has been approved by the NSEB. Modelling of this nature has been transferred to the IESO-NS.
Financial Reporting and Statements						
Financial Reporting and Statements	Introduced	NA	NA	Updated	The Q4 Annual Regulated Finanical Statements are on track to file April 15, 2026.	Q2 2026 (for completion of Q4 2025 Regulated Financial Statements)

Affected Regulatory Matters	Report 2 - October 1	Report 3 - November 3	Report 4 - December 1	Report 5 - February 4	Latest update Jan 31, 2026	Forecast Restoration of Normal Activities Updated Jan 31, 2026
Fuel Adjustment Mechanism						
General	NA	Updated	Updated	NA	NA	Q1 2026
Maritime Link Benefits Report	Introduced	NA	NA	NA	NA	Q1 2026
FAM Quarterly	Introduced	NA	Updated	NA	NA	Q1/Q2 2026
Dispatch Study Action Plan Quarterly Update	Introduced	NA	Updated	NA	NA	Q1 2026

Affected Regulatory Matters	Report 2 - October 1	Report 3 - November 3	Report 4 - December 1	Report 5 - February 4	Latest update Jan 31, 2026		Forecast Restoration of Normal Activities Updated Jan 31, 2026
Performance Standards							
Performance Standards	Introduced	NA	NA	NA	NA		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.
Affiliate Code of Conduct							
Affiliate Code of Conduct	Introduced	NA	NA	NA	NA		Q1 2026
Interconnection processes			NA	NA			
Hosting Capacity Map and Analysis	Introduced	NA			No Update	Dependent on the GIS recovery and integration between GIS and CYME Software. ETA for this is March 2026.	
Processing Interconnection Requests	Introduced	NA			No Update	Administration of the SGIP/DGIP, as well as any modelling related to the SGIP has been transferred to the IESO-NS. Return to normal processes for modelling related to the DGIP is dependent on access to PI data and GIS. ETA for this is March 2026.	
Demand Side Management							

Affected Regulatory Matters	Report 2 - October 1	Report 3 - November 3	Report 4 - December 1	Report 5 - February 4	Latest update Jan 31, 2026	Forecast Restoration of Normal Activities Updated Jan 31, 2026
<i>EI's Residential Behaviour Program</i>	Introduced	NA	NA	NA	No Update	The Residential Behaviour program will require a minimum of 1 bill cycle following the reintroduction of data into MEI before it can produce results. Forecast restoration is by end of Q3 2026.
<i>EI's Demand Response Programming</i>	NA	Introduced	NA	NA	No Update	Data flows to evaluate Demand Response will be restored in Q3 2026, ahead of the 26/27 Season beginning on Dec 1, 2026, pending successful restoration of AMI and relevant systems.

Affected Regulatory Matters	Report 2 - October 1	Report 3 - November 3	Report 4 - December 1	Report 5 - February 4	Latest update Jan 31, 2026	Forecast Restoration of Normal Activities Updated Jan 31, 2026
System Planning						
System Planning	Introduced	NA	NA	NA	NA	IRP Modelling has transitioned to the IESO-NS
Miscellaneous						
Maritime Link Q2 2025 Quarterly Report	Introduced	NA	Updated	NA	No Update - Resolved	As noted: 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	Introduced	NA	Updated	Updated	Update: December 22: Restoring GIS functionality remains a top priority for 2026. Based on current progress, GIS restoration is anticipated by Q1 2026, at which time NS Power will be able to update system data to support pole settlement and the finalization of the final agreement. Both NS Power and Bell have continued collaborative efforts toward completing this final agreement.	Q1 2026
Customer Energy Management (CEM) Evaluation, Measurement, and Verification (EM&V)	Introduced	Updated	NA	Updated	Update: NS Power has consulted with Econoler to develop an alternative 2025 CEM EM&V approach that reflects the data limitations due to the Incident. AMI data up to March 31, 2025 and all supporting datasets have are being prepared for the 2025 CEM EM&V in accordance with Econoler’s proposed plan and the evaluation. The Company expects to file the 2025 CEM EM&V by May 1, 2026, consistent with prior CEM EM&V Reports.	CEM EM&V Report is expected to be filed by May 1, 2026, consistent with prior years, and will include an alternative approach due to the data limitations in the EM&V period. Restoration of MEI systems are expected by the end of Q3 2026.

Invoices on Hold

February 3, 2026

	3-Feb-26		5-Nov-25		April 2025 (Pre-Cyber)	
0-35 Days	736	26%	1876	24%	1306	77%
35-60 Days	735	26%	1150	15%	170	10%
61-90 Days	416	14%	1067	14%	66	4%
90+ Days	983	34%	3776	48%	148	9%
Total	2870		7869		1690	
Hold Reason 36-60 days						
Administrative	52	7%	141	12%	26	15%
Procurement	171	23%	186	16%	63	37%
Receiving	512	70%	823	72%	81	48%
Total	735		1150		170	
Hold Reasons 61-90 days						
Administrative	6	1%	156	15%	8	12%
Procurement	137	33%	213	20%	13	20%
Receiving	273	66%	698	65%	45	68%
Total	416		1067		66	
Hold Reasons 90+ Days						
Administrative	65	7%	829	22%	34	23%
Procurement	270	27%	732	19%	53	36%
Receiving	648	66%	2215	59%	61	41%
Total	983		3776		148	



PO Box 910 • Halifax, Nova Scotia • Canada • B3J 2W5

January 31, 2026

Honourable Tom Taggart, MLA for Colchester North
Chair, Nova Scotia Standing Committee on Natural Resources and Economic Development
1700 Granville Street, One Government Place, 2nd Floor
Halifax, NS B3J 1X5

RE: December 1, 2025, committee motion requesting further information from Nova Scotia Power

Mr. Chair,

At Nova Scotia Power, multiple teams have been actively engaged in supporting customers as we continue to restore our systems following last year's cyber incident. At our committee appearance on December 1st, we committed to providing customers more opportunities to speak directly with customer care. I am pleased to report that since that time we have provided five in-person customer support sessions in various communities across the province with additional locations being scheduled in the coming weeks.

As per the motion from committee, I am providing you with an update on Nova Scotia Power's ongoing efforts to support customers with estimated billing issues, strengthening internal controls, and business continuity planning.

1. That, after a period of 60 days from the date of this correspondence, Nova Scotia Power provide the Committee with a detailed report outlining:

a. Instances of overpayment and underpayment by customers, including the scope and any corrective measures taken.

- Since the cyber incident, recognizing that the estimated billing process raised concerns amongst our customers, we have offered flexible options such as Equal Billing, pay-what-you-can arrangements, and photo meter reads, while also waiving late fees and interest and pausing collections and disconnection activity for active accounts. These options have been communicated to customers in direct conversations with our customer care team by phone, email and in-person, and also shared more broadly with customers through social and traditional media channels, including local radio announcements.
- Since the launch of the smart meter network in 2019, missing bill meter reads have largely been estimated through statistical imputation within the smart meter data model. When NS Power lost the ability to communicate with that network through the cyber incident, the estimation calculation reverted to a contingency Customer Information System (CIS) mechanism which uses seasonal logic:
 - When a bill read is missing, our CIS system estimates a reading using the average billed usage per day at the specific property in the last 12 months that are considered in the same season.

- The CIS mechanism for estimating seasonal usage can create over and under-estimation, especially in fall and spring when the seasons and temperatures are changing.
- On November 1, the logic built into the CIS system estimated bills began reflecting the 'cold' season usage from the previous year in estimate calculations.
- In response to concerns about overestimated bills from November 1-20, we initiated and continued weekly analysis of seasonality used in the CIS calculation to ensure usage was not materially above 2024 levels, thereby mitigating risk of ongoing overestimation.
- While customers' energy profiles and usage patterns can change over time, a sampling of residential accounts with minimal apparent changes in consumption patterns, billed in the period November 1-20, showed 9,832 customers with estimated usage up more than 5% per day from their same bill last year. Of these accounts, 8,948 had a true meter reading on their next (January) bill. The remainder were communicated with by email and through bill inserts to highlight the option for a photo read.
- Actual overpayment and underpayment scenarios resultant from estimates are difficult to isolate, as trued-up usage cannot be ascribed to the date of use. However, patterns on the trued-up bill allow some sizing of customer experience in both areas.
 - Overpayment: Following the return to regular billing cycles post cyber-incident, less than 1% of bills issued have created a scenario where estimated usage, once paid, resulted in a credit balance for the customer on their next bill. Account credits are automatically applied to the customer's subsequent bill for ongoing energy use. However, for customers who prefer a refund, refunds by cheque are available upon customer request. In Q4 of 2025, NS Power supported customers with 2,080 refund requests, down from 2,268 in Q4 of 2024 and 2,542 in Q4 of 2023. Refunds can be issued for a variety of issues, including customers who might have entered a larger amount when paying through their bank or customers who have closed an account that had a credit balance on it.
 - Underpayment: The percentage of active residential accounts in arrears is a useful gauge of underpayment and has run nearly double the rate persistent prior to the cyber incident. On December 31, 2025, 7.23% were in arrears, compared to 4.46% as of the same date in 2024. This trending is regularly reviewed by Nova Scotia Power, the Affordable Energy Coalition, and the Consumer Advocate and an annual report is filed with the Nova Scotia Energy Board each year. This is a major area of focus for NS Power- to help these customers get into an Equal Billing plan or additional payment arrangement if they need support paying their balance.

b. An explanation of the processes and safeguards in place to prevent such discrepancies in the future.

- Over 84% of bills have had true reads month-to-date in January 2026. While estimated bills will continue to lessen as meters are reconnected to Nova Scotia Power's billing system, customers concerned about an estimate are encouraged to take a photo of their meter display and send it to us so we can adjust the bill to reflect actual usage.
- The option to submit a photo read is long-standing, pre-existing the cyber incident. To better facilitate the process for our customers following elevated concerns with overestimation, we added an online form to our billing website on November 21, 2025, and promoted the option through bill inserts. As of January 26, 2026, approximately 2,000 photo submissions have been received since we deployed a webform. Our goal at NS Power is to obtain meter reads for customers, either through a reconnected meter or a physical meter read, but we want to provide this option if a read could not be obtained.
- With peak winter usage upon us, we continue to review likely customer billing concerns, particularly customers who may have been underestimated and now face a larger balance on their trued-up bill. We'll work proactively with customers in these scenarios to offer extended repayment options. This flexibility aims to ease the financial burden on our customers. Updated customer messaging related to billing questions and options will continue to roll out in February, including direct communications to customers and additional public service announcements.

2. That Nova Scotia Power also provide clarity on contingency plans related to smart meters, including:

a. Steps to address potential failures or inaccuracies.

- NS Power did act on contingency plans when billing resumed in June 2025. This included estimated billing, and the concurrent hiring, training and deployment of meter readers.
- NS Power does acknowledge that these contingency plans did not contemplate the extent or duration of the issue. To address this moving forward:
 - NS Power is provisioning disaster recovery solutions for key smart meter technology systems that would be leveraged if the primary system is subject to a major failure or rendered inoperable.
 - NS Power will continue to augment its smart meter operational monitoring and controls as it identifies risk of potential failures or inaccuracies.
 - NS Power is including improved bill estimating as a requirement of a new Customer Information System. NS Power intends to replace its legacy CIS system and redesign its bills to take advantage of new capabilities within that system. NS Power recognizes the drawbacks of the current presentation, including the estimation of bills, and will aim to address this functionality as part of the CIS modernization initiative.

b. Customer support mechanisms and communication strategies in the event of system issues.

- As noted in (1), recognizing that the estimated billing process raised concerns amongst our customers, we have supported flexible options such as Equal Billing, pay-what-you-can arrangements, and photo meter reads, while also waiving late fees and interest and pausing

collections and disconnection activity for active accounts. Customers will be provided with notice before late fees resume.

- When billing resumed in June 2025, we created comprehensive website content at nspower.ca/billing to outline the billing process and available options. Since then, we have included four separate bill inserts to communicate information about the incident's impact on billing, the need for estimated bills, and the options and supports noted above. These bill inserts also direct customers to our website for more detailed information. We will continue to update this content to reflect the current customer experience.
- Leveraging feedback from the Affordable Energy Coalition, NS Power created more content to help increase customer awareness of the options available to them. We promoted this content in December and January on connected TV, radio, social media and paid search advertising.
- NS Power has also hosted community sessions across the province to help customers who have billing questions. We hosted sessions in Yarmouth, Middleton, Digby, Truro, and Port Hawkesbury and will reschedule sessions cancelled due to weather in Sydney and Guysborough next month. We will continue holding community engagement sessions throughout 2026 to answer customer questions directly, and our Customer Care Centre is able to support customers who have questions over the phone.
- NS Power will actively encourage customers to take advantage of payment arrangement options, including Equal Billing, to help customers manage balances that have resulted from under-estimation or customers choosing not to pay an estimated bill. We are committed to build on the success of our efforts in 2024, where we achieved a 44% reduction in residential disconnections for non-pay on the year. We will continue to work with low-income stakeholders and directly with customers now that most customers have received a 'true up' bill.

We know this has been an incredibly challenging time for our customers. While the incident was an unprecedented, sophisticated, and targeted cyberattack on our IT systems, we are grateful that Nova Scotia's electrical grid remained secure. Thanks to the strength of our OT systems, our sustained investments in cybersecurity, and the commitment of our employees, the province's power grid continued to operate without interruption, and no power was lost to Nova Scotians due to the cyber incident.

Cyber threats are becoming increasingly complex for organizations around the world, and we take them very seriously. We continue to fully co-operate with ongoing investigations by both the Nova Scotia Energy Board and the Office of the Privacy Commissioner of Canada.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Gregg', with a stylized, looping flourish at the end.

Peter Gregg, President & CEO