

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF THE *PUBLIC UTILITIES ACT*

- and -

IN THE MATTER OF an investigation pursuant to s.19 of the *Public Utilities Act* into certain matters arising from a **Joint Use Agreement** between **NOVA SCOTIA POWER INCORPORATED** and **BELL ALIANT**

BEFORE: Richard J. Melanson, LL.B., Member

UTILITY: **NOVA SCOTIA POWER INCORPORATED**
Blake Williams, Senior Director, Regulatory Affairs
Mollie Morris, Regulatory Counsel

INTERVENORS: **CONSUMER ADVOCATE**
David J. Roberts, Counsel
Michael Murphy, Counsel

SMALL BUSINESS ADVOCATE
Melissa P. MacAdam, Counsel
Rebekah L. Powell, Counsel

BELL CANADA
Philippe Gauvin, Counsel

INDUSTRIAL GROUP
Nancy G. Rubin, K.C.
Brienne Rudderham, Counsel

BOARD COUNSEL: William L. Mahody, K.C.

FINAL SUBMISSIONS: December 22, 2025

DECISION DATE: **March 19, 2026**

DECISION: The Board is satisfied that a Letter of Intent about the operation of the Joint Use Agreement, if properly implemented, will address potential unjust discrimination issues and delays. The Board has directed reporting from NS Power.

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1.0 INTRODUCTION

[1] NS Power and Maritime Telegraph & Telephone Company Ltd. (MT&T) entered into a Joint Use Agreement for utility poles dated March 31, 1993. Bell Canada, through its subsidiary, Bell Aliant (jointly referred to as Bell), is a successor to MT&T under the Joint Use Agreement. There have been no updates to the 1993 agreement, and it has generally been administered on a collaborative basis insofar as planning and cost sharing are concerned.

[2] The purpose of the Joint Use Agreement is to allow NS Power and Bell to share utility poles where their service areas overlap. The goal is to reduce costs for ratepayers by not duplicating infrastructure required to carry wires to customers. Therefore, NS Power and Bell set up a mechanism to share each other's poles to avoid this potential cost duplication. There have been no updates to the 1993 agreement, and it has been administered on a collaborative basis insofar as planning and cost sharing are concerned.

[3] As of June 15, 2025, NS Power owned 373,976 of the poles (70.92%) that were jointly used with Bell (70.92%). NS Power jointly used 153,335 poles owned by Bell (29.08%). The Joint Use Agreement is based on a 60/40 ownership split in joint-use poles between NS Power and Bell. NS Power advised that a pole reconciliation would be carried out to arrive at the target split.

[4] The Nova Scotia Utility and Review Board (NSUARB) decided to initiate this proceeding because of two individual customer complaints it processed in 2024-2025. One complaint related, in part, to the way service connections and disconnections were handled under the Joint Use Agreement. The other complaint was about the different rebate schemes available to customers depending on whether NS Power or Bell owned

the jointly used utility poles. The NSUARB determined the scope of these issues went beyond the individual complainants and decided to explore the matter under s.19 of the *Public Utilities Act*, RSNS 1989, c 380 (*PUA*), which authorized it to summarily investigate whether “...any rate or charge is unreasonable or unjustly discriminatory, or that any reasonable service is not supplied...”

[5] In a March 21, 2025, letter, the NSUARB started a paper hearing to address the following issues:

- 1) Whether the Joint Use Agreement is unreasonable, insufficient, or unjustly discriminatory because there are different rebate schemes depending on whether an area is serviced by joint-use poles owned by NS Power or Bell Aliant.
- 2) Whether the provision of electric service connections and the disconnection and removal of service connections are being delayed or impacted by the processes used under the Joint Use Agreement.

[6] On April 1, 2025, on proclamation of the *Energy and Regulatory Boards Act*, SNS 2024, c. 2, Sch. A, the NSUARB was succeeded by the Nova Scotia Energy Board (Board) for all matters related to electric utilities. The formal intervenors in this proceeding are Bell, the Consumer Advocate (CA), the Small Business Advocate (SBA), and the Industrial Group (comprised of 11 NS Power industrial customers). On May 8, 2025, NS Power filed a letter of intent with Bell dated March 25, 2025 (Letter of Intent). NS Power summarized the contents of the Letter of Intent as follows:

Since 2024, NS Power has been working with Bell to resolve communication, process, and delay issues. As of March 2025, NS Power and Bell have reached a proposed solution that they intend to test in accordance with the attached Letter of Intent, making NS Power responsible for all new line extensions, regardless of pole ownership regardless of whether they are located in areas with Bell-owned poles or NS Power-owned poles. This approach effectively eliminates the issues of long delay times and differential pricing. This also means that all line extensions are treated the same from a cost and rebate perspective.

[Exhibit N-4, p.1]

[7] The Board agrees that if the Letter of Intent is formalized and applied in accordance with its terms, it should address the issues raised in this proceeding. That said, the Board has decided to monitor the implementation of the Letter of Intent before closing this matter.

2.0 ANALYSIS AND FINDINGS

Is the Joint Use Agreement unreasonable, insufficient, or unjustly discriminatory?

[8] The fundamental underlying rationale for the Joint Use Agreement is still valid. NS Power provided estimates, based on 2024 pricing, for installing poles and associated hardware to service a new customer for a single-phase service if NS Power did not have access to Bell-owned poles. NS Power noted that due to a widely publicized cyber incident, it was unable to complete an analysis comparing annual OM&G costs for poles covered by the Joint Use Agreement with the costs NS Power would incur if it were solely responsible for all poles. Despite this, it is self-evident that there are economic efficiencies or benefits provided by the Joint Use Agreement because the cost sharing arrangement avoids duplication of investment and ensures each utility pays only its proportionate share of joint use pole costs.

[9] Historically, when a customer requested a new line extension, the extension had to be constructed and owned by whichever company owned the existing mainline poles in that area. Prior to the Letter of Intent, NS Power only provided rebates where it owned the joint-use poles in accordance with Board-approved *Regulations* 2.6 and 2.12. Bell administered its own separate rebate scheme which did not provide any rebates for poles. The Board asked NS Power to explain how the rebate scheme set out in sections

2.6 and 2.12 of the NS Power *Regulations*, and the rationale underlying the scheme, were developed. NS Power responded that the rebates of capital contributions are designed to ensure that each customer benefiting from a new line pays a fair share of the costs beyond the standard allowance of 92 metres for line or service extensions (s. 2.6). For line/service extensions shorter than 184 metres, the rebate mechanism allows subsequent customers to connect within ten years to use the remaining free service allowance without additional contributions, while the first customer is entitled to a partial refund for the shared portion of the line from NS Power, minus a 10% administration fee. For example, if Customer A requires a 120-metre line and a 40-metre service drop, they pay for the 68 metres beyond the 92-metre allowance. If Customer B connects within ten years and requires only 40 metres, no additional contribution is needed, and Customer A is entitled to a refund of 40 metres' equivalent line cost minus 10%. As noted above, there is no similar rebate for Bell line/service extensions.

[10] In cases where multiple customers request service simultaneously, capital contributions are allocated proportionally based on each customer's share of the shared line. For line/service extensions longer than 184 metres, contributions and refunds are calculated assuming all customers are connected at the same time, with each customer paying for their portion of the shared line, and prior customers receiving refunds as new customers connect, again minus a 10% administration fee. The scheme is intended to fairly allocate costs among customers while providing transparency and predictability in capital contributions.

[11] The Letter of Intent has changed the way in which rebates are administered. Effective March 3, 2025, NS Power will construct all new customer requested line

extensions, regardless of pole ownership in the area. Each new line extension will be owned by NS Power, even in territories traditionally serviced by Bell-owned poles. At the end of each quarter, NS Power and Bell will conduct a settlement process to 1) identify which newly constructed poles qualify as joint-use poles under the Joint Use Agreement, and 2) determine any ownership transfers required to maintain the 60/40 joint-use ratio. Bell will have the option to purchase agreed upon joint-use poles from NS Power at their structural value or another mutually agreed cost. This quarterly settlement is distinct from the broader, recurring Pole Reconciliation process that manages overall ownership ratios.

[12] The Letter of Intent envisaged a trial period that was scheduled to run through 2025, during which both parties would monitor the process and outcomes. The Letter of Intent says that by December 31, 2025, or another agreed upon date, NS Power and Bell intend to execute a definitive agreement incorporating the refined procedures and purchasing terms. NS Power has been the victim of a cyber incident which has impacted on its ability to finalize the agreement with Bell. As of NS Power's last filing on December 22, 2025, it was anticipated that a final agreement could be finalized by Q1, 2026. If either party determines the new process is not meeting its business needs, it may terminate the trial with 30 days' notice, reverting to the prior line extension process, or another agreed upon process. However, both parties have been operating under the terms of the Letter of Intent since March 5, 2025.

[13] On the issue of unjust discrimination, NS Power's response to Board IR-8 is instructive and is reproduced below:

Request IR-8:

Board staff understands NS Power's May 8, 2025, letter envisages a different approach to pole ownership under the JUA but would like NS Power's views on whether there is a rationale for maintaining distinct rebate schemes based on pole

ownership, and whether this could align with regulatory principles of equity and non-discrimination?

Response IR-8:

NS Power's view is that there is no rationale for maintaining distinct rebate schemes based on pole ownership.

Because NS Power will be coordinating the installation and accepting customer contributions for all new poles, future customers rebates will be based on the NS Power rebate scheme, regardless of pole ownership after reconciliation between Bell and NS Power. This aligns with regulatory principles of equity and non-discrimination.

[Exhibit N-5]

[14] The Board agrees with this assessment. The Board understands that because of the wording in *Regulations* 2.6 and 2.12, offering rebates for poles NS Power did not own could have created conceptual and regulatory accounting difficulties. The *Regulations* were not drafted to specifically account for the Joint Use Agreement structure. The situation did, however, lead to NS Power customers being treated differently under the rebate scheme depending on which entity owned the joint-use poles.

[15] Where customers request services from both Bell and NS Power, there would be an argument that this differing treatment would potentially be justified where Bell was extending the line, because, in that scenario, the main role NS Power would play in the transaction is attaching its line infrastructure to Bell poles, rather than building its own line extension to which the rebate provisions would be applied. Because of the changes to the process in the Letter of Intent, this issue need not be conclusively addressed in this proceeding. The prior process becomes difficult to justify where no service is requested from Bell, which was the situation in one of the matters giving rise to this investigation. That is becoming a more common or likely scenario with landlines being less prevalent. In such a scenario, the entire reason for the extension is to provide service to the customer from NS Power.

[16] Under the structure envisaged by the Letter of Intent, NS Power will own the poles at the time they are installed, with a reconciliation with Bell to take place afterwards to maintain the 60/40 ownership split in the Joint Use Agreement. This will address all customer extensions where NS Power service is required. Therefore, the Board agrees that if properly implemented, the Letter of Intent should alleviate the concerns about unjust discrimination, even where there might be a theoretical justification for the different treatment. It appears to be an administratively efficient way to proceed and will treat all NS Power customers in the same way insofar as rebates are concerned.

[17] NS Power's response to NSEB IR-9(a) indicates the company does not anticipate it will incur "...significant additional capital and operating costs under the new approach." This is because while the Letter of Intent may change the timing when Bell will purchase poles from NS Power, the 60/40 ownership ratio is maintained over time. NS Power said there should be no rate implications. It appears evident from the information provided, that it is Bell that will have to purchase poles from NS Power. Although there may be some carrying costs involved for the capital NS Power must spend before it is reimbursed by Bell, the new quarterly adjustments should alleviate most of the concerns arising from this situation.

[18] Section 87 of the *PUA* allows the Board to make an order remedying an unreasonable or unjustly discriminatory practice. Because NS Power did not seek to justify the differing rebate schemes, but sought to find an equitable solution, the need for, and extent of, this remedial power was not fully canvassed. In this case, the Board is satisfied that if properly implemented, the Letter of Intent addresses the issue of potential unjust discrimination in a comprehensive manner. That said, if the Letter of Intent was

terminated, any reversion back to a process that led to NS Power customers being entitled to different rebates, based solely on the ownership of the joint-use poles, would be problematic. Therefore, the Board requires NS Power to file a copy of any final agreement contemplated by the Letter of Intent between Bell and NS Power. Also, if the Letter of Intent is terminated prior to a final agreement being executed, NS Power is to advise the Board within 14 days of this occurrence and advise the Board how it intends to address the rebates available if this occurs. NS Power is to advise the Board of any future changes to the Joint Use Agreement. Finally, the Letter of Intent should address any unjust discrimination issues on a go-forward basis. Matter M11835, involving a customer complaint that, in part, gave rise to this investigation, pre-dates the Letter of Intent. The Board will have to consider available remedies, if any, for that individual matter separately.

Are connections and the disconnection being delayed?

[19] Prior to the Letter of Intent, NS Power had to coordinate new customer extensions and disconnections with Bell, in situations where Bell owned the mainline. This created the potential for delays. NS Power did not expect there was a statistically significant difference between the execution of line extensions for new customer service connections depending on pole ownership. However, NS Power does not track service connections based on whether the service comes off an existing NS Power or Bell pole. NS Power acknowledged there were additional steps and authorizations required, along with coordination issues, that could cause delays. This could presumably be more pronounced when there had to be a line extension from a Bell mainline.

[20] NS Power emphasized that a potential problem was identified as early as 2024, when the Internet for Nova Scotia Initiative, aimed at increasing fibre-optic penetration in rural Nova Scotia, combined with a significant increase in demand for customer extensions, led to an increased workload related to such extensions. Bell and NS Power engaged in discussions leading to the Letter of Intent. It appears from the available evidence that the Letter of Intent will address many of the potential delays that the former Joint Use Agreement processes could cause. Under the new framework, NS Power now manages all line extension requests directly, regardless of pole ownership, eliminating delays previously caused by coordination with Bell. NS Power reports that, at the time of its last filing, approximately 397 work orders were initiated under the new process, with no reported drawbacks, no backlog of customer requests, and shorter timelines based on operational feedback, even though detailed performance metrics are currently unavailable.

[21] The Board has little empirical evidence about delay timelines prior to the Letter of Intent or the extent to which these have been alleviated. Also, NS Power advised there were several new initiatives related to line extensions that could decrease delays that would be unrelated, but complementary to, the new process under the Joint Use Agreement. The Board is satisfied that, in principle, if properly implemented, the new process under the Joint Use Agreement should be useful in eliminating some of the coordination and communication issues that existed under the former arrangement.

[22] The Board, however, is mindful that there are information gaps. As of December 22, 2025, the Letter of Intent had not been formalized into a final agreement. There is work to do to integrate pole reconciliation data and assess how the trial program

has worked in practice. The SBA and CA made submissions on these issues, and both recommended additional reporting. NS Power maintains that the concerns raised by both the CA and the SBA have been effectively resolved in practice through operational changes implemented under the Letter of Intent. NS Power acknowledges delays in finalizing the formal agreement but attributes these solely to the cybersecurity incident, which temporarily disabled critical GIS systems required for pole ownership reconciliation and settlement between NS Power and Bell. In response to recommendations for maintaining the investigation open, requiring monthly reporting, or providing regular customer updates, NS Power submits that such measures can be useful in certain instances. In this case, NS Power submits they are unnecessary. The utility argues that the original issues prompting the investigation, service delays and inconsistent rebate treatment, have already been resolved operationally, and that further reporting would impose costs without corresponding value.

[23] The Board finds that, at this time, an extensive reporting schedule would not have sufficient value to warrant the time and expense involved. However, the Board does require some follow-up reporting to ensure the issues raised in this matter have been addressed in a formalized manner. The timing is best coordinated with NS Power's ability to provide meaningful data. The Board, therefore, directs NS Power to provide a report within three months of the final agreement between Bell and NS Power being executed in 2026. The report should provide information on whether the new line extension and rebate processes are fully implemented, and any material changes between the terms of the Letter of Intent and the final agreement. The report should evaluate whether the quarterly ownership settlements and broader reconciliation

processes maintain the agreed 60/40 ratio, whether any additional costs are being incurred that may be passed on to ratepayers, and that customer connection timelines are consistent across all areas. If, by June 30, 2026, there is no finalized agreement between NS Power and Bell, the Board will consider what further reporting may be required.

3.0 CONCLUSION

[24] The Board has investigated the processes under the Joint Use Agreement. The Board is satisfied that, if properly implemented, the Joint Use Agreement addresses the issues that led to this investigation; namely, the different rebate schemes and potential line service extension delays, arising from the implementation of the Joint Use Agreement. The Board has directed reporting from NS Power.

[25] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 19th day of March 2026.



Richard J. Melanson