

April 21, 2026

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

Re: Fuel Adjustment Mechanism (FAM) Monthly Report – March 2026

Dear Ms. Henwood:

Please find enclosed Nova Scotia Power's FAM Monthly report for March 2026. The confidential versions of the report and the FAM Calculation Model have been uploaded to the Board's confidential website.

The analysis provided in this monthly report and the remainder of this letter uses NS Power's actual data against the 2026 GRA Compliance filing, pending a decision from the NSEB, referenced as the FAM Budget. The FAM Budget was originally developed using pricing data from November 2024.

For the AA and BA information on page M2, the actual data is compared against the amounts presented 2026 GRA Compliance filing, which includes actuals up to December 2024.

March 2026 Results

As shown in Figure 1, for the month of March 2026 there was increased energy from Natural Gas, imports from Labrador Hydro (Energy Access Agreement), and HFO, which was partially offset by lower energy from Solid Fuel, and NS Power owned Wind, Hydro & Solar.

Figure 1

Month

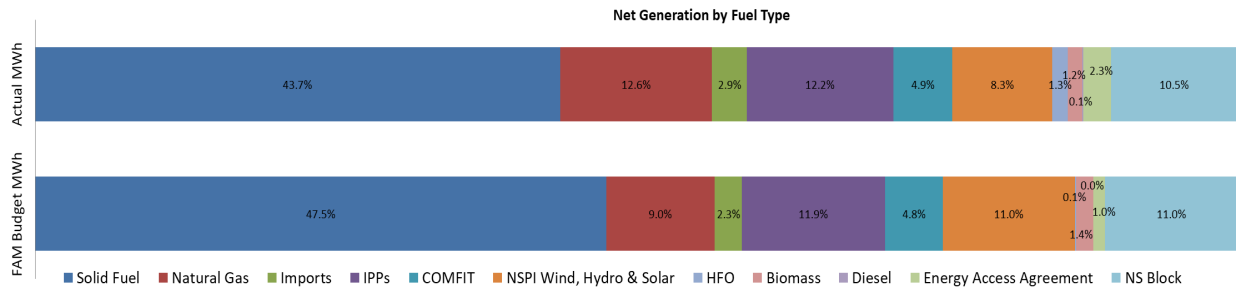


Figure 2

Year-to-Date

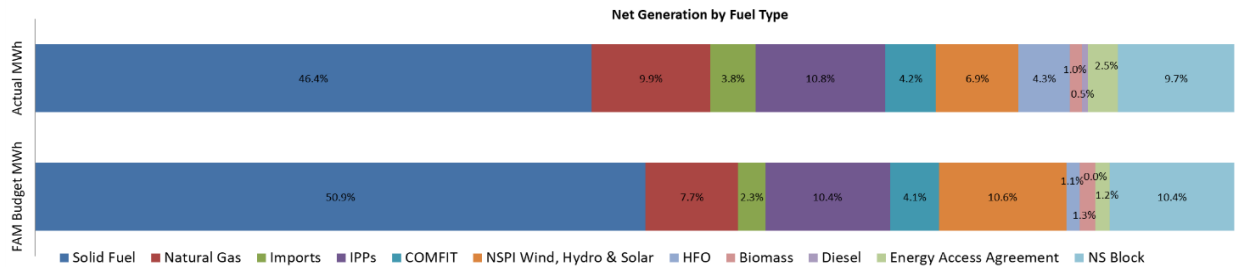


Table 1

March FAM (Over)/Under-Recovery (in \$ millions)			
	Actual	FAM Budget	Variance
Total fuel and purchased power	\$83.7	\$84.1	(\$0.4)
Fuel adjustments	\$ (6.4)	\$ (6.4)	-
Total Adjusted Fuel Costs	\$77.3	\$77.3	(\$0.4)
Revenue ⁽¹⁾	\$ (86.2)	\$ (87.1)	\$0.9
FAM (Over)/Under Recovery	(\$8.9)	(\$9.4)	\$0.5

*Figures presented are rounded to one decimal place which may cause rounding differences on some line items. Figures are presented as follows: (Favourable)/Unfavourable in the variance column. FAM Budget reflects the 2026 GRA Compliance filing of \$916.8 million.

(1) Includes \$4.4M in actuals and \$4.3M in FAM Budget relating to the 2026 FAM AA/BA Rider, which is revenue relating to recovery of the supplemental assessment for the Maritime Link per NSEB Interim Board Order M12640 dated December 23, 2025.

Table 2

Year to Date FAM (Over)/Under-Recovery (in \$ millions)			
	Actual	FAM Budget	Variance
Total fuel and purchased power	\$316.9	\$270.5	\$46.4
Fuel adjustments	\$ (17.2)	\$ (16.0)	\$(1.2)
Total Adjusted Fuel Costs	\$299.7	\$254.5	\$45.2
Revenue ⁽¹⁾	\$ (275.4)	\$ (272.5)	\$(2.9)
FAM Under/(Over) Recovery	\$24.3	\$(18.0)	\$42.3

*Figures presented are rounded to one decimal place which may cause rounding differences on some line items. Figures are presented as follows: (Favourable)/Unfavourable in the variance column. FAM Budget reflects the 2026 GRA Compliance filing of \$916.8 million.

(1) Includes \$14.0M in actuals and \$13.3M in FAM Budget relating to the 2026 FAM AA/BA Rider, which is revenue relating to recovery of the supplemental assessment for the Maritime Link per NSEB Interim Board Order M12640 dated December 23, 2025.

For the month of March 2026 there was a variance of \$0.5 million in FAM over-recovery as compared to the FAM Budget (\$8.9 million actual over-recovery as compared to \$9.4 million over-recovery in the FAM Budget).

For the month of March 2026, load was approximately 32.2 GWh higher than the FAM Budget, resulting in an increase in fuel costs of \$2.6 million.

The March variance between the actual total fuel and purchased power cost and the FAM Budget total fuel and purchased power costs (excluding load) is favorable by \$3.0 million. The following table sets out the components of the variance between actual fuel and purchased power cost as compared to the FAM Budget.

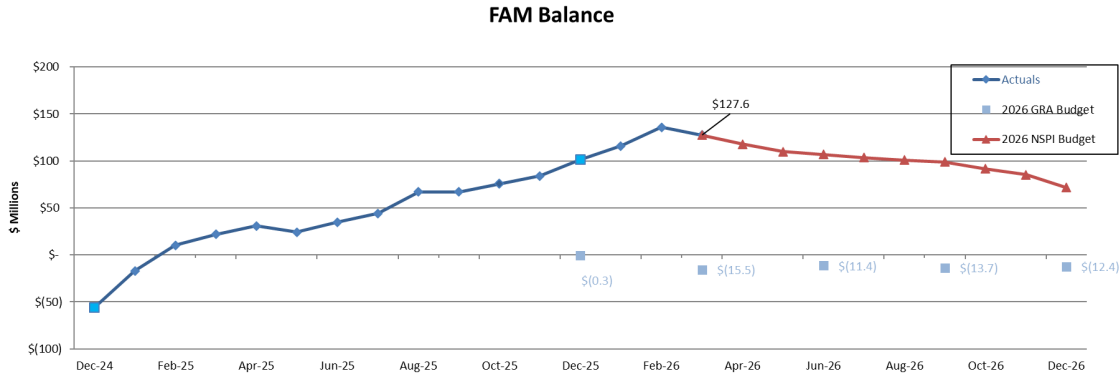
Table 3

Fuel and Purchased Power Variance (in \$ millions) *	
	Actual vs FAM Budget
Nova Scotia OBPS carbon tax	\$(4.0)
Plant Dispatch	\$(1.6)
Natural gas, HFO, and LFO pricing and mix	\$(1.3)
Solid Fuel pricing and mix, additives, and adjustments	\$(0.7)
Maritime Link Assessment	-
Generation mix	\$3.8
Purchased power pricing and mix	\$0.8
Total excluding load	\$(3.0)

*Figures presented in Table 3 are rounded to one decimal place which may cause rounding differences on some line items. Figures are presented as follows: (Favourable)/Unfavourable. FAM Budget reflects the 2026 GRA Compliance filing of \$916.8 million.

As shown in Figure 3 below, as of March 31, 2026, the FAM Balance is an under-recovery of \$127.6 million. Both the GRA and NS Power Internal Budget would have assumed an increase in fuel rates and collection of AA/BA beginning January 1, 2026.

Figure 3



As shown in Table 4 below, natural gas consumption was higher than budget. This was a result of increased natural gas dispatch compared to the FAM Budget.

Table 4

	Variance from FAM Budget*
Natural gas consumption (MMBtu)	534,753
Natural gas price (\$/MMBtu)	\$(2.01)

*Variances are against the FAM Budget which reflects the 2026 GRA Compliance filing of \$916.8 million. Positive numbers reflect amounts higher than forecast; Negative numbers reflect amounts lower than forecast.

In the Board Order received January 16, 2020, regarding M09810, in reference to the long-term deferral of Maritime Link depreciation expense, NS Power was directed to include detail in its FAM Monthly report of the WACC earned in the FAM on these funds. As of September 2021, energy from Newfoundland and Labrador Hydro (NS Block) has started to flow. Since January 2021, NS Power has deferred Maritime Link assessment costs in the amount of \$22.8 million, resulting in increased interest payable at WACC to FAM customers of approximately \$7.5 million.

Please contact me with any questions or concerns with respect to the FAM Monthly report for March 2026.

April 21, 2026
C. Henwood

Yours truly,

A handwritten signature in blue ink that reads "Jessie Wallace". The signature is written in a cursive style with a large initial "J".

Jessie Wallace,
Manager, Regulatory Strategic Planning and Innovation

c. Intervenor

Encl.

Nova Scotia Power Inc.
Monthly FAM Reporting
For the Period Ended March 31, 2026

REDACTED

Nova Scotia Power Inc.
Monthly FAM Reporting
Summary of Fuel Costs
For the Period Ended March 31, 2026
(millions of dollars)

NSPI (FAM) M-1
NON-CONFIDENTIAL

	Current Month		Year-to-Date		2026 Budget	
	Actual	Budget ⁽¹⁾	Actual	Budget ⁽¹⁾	Full Year Budget	% of Budget Spent
Fuel for Generation - Domestic Load						
Solid Fuel	29.6	34.9	106.8	116.4	293.5	36.4%
Natural Gas	10.2	8.2	42.9	26.6	87.4	49.1%
Biomass	2.4	2.3	5.8	6.6	21.6	26.9%
Bunker C	2.5	0.2	24.4	7.0	7.8	312.8%
Furnace	0.8	0.4	1.7	1.6	4.0	42.5%
Diesel	1.0	-	7.3	0.5	0.8	912.5%
Additives	1.7	2.1	5.6	7.1	17.9	31.3%
GHG Compliance	(3.5)	0.5	(2.6)	2.6	5.7	-45.6%
Subtotal	44.6	48.7	192.0	168.3	438.7	43.8%
Import Purchases	5.1	3.5	25.5	12.8	94.7	26.9%
Maritime Link	13.3	13.3	39.8	39.8	198.7	20.0%
Non-Wind IPP Purchases	4.9	3.4	16.2	9.2	35.3	45.9%
Wind Purchases	8.1	7.7	21.6	20.6	80.9	26.7%
COMFIT Purchases	7.6	7.5	20.7	19.5	67.5	30.7%
Fuel for Resale Net Margin	(0.0)	-	(0.1)	-	-	0.0%
Exports	-	-	1.0	-	-	0.0%
Fuel and Purchased Power	83.6	84.0	316.6	270.2	915.7	34.6%
Water Royalties	0.1	0.1	0.3	0.3	1.1	27.3%
Total Fuel and Purchased Power	83.7	84.1	316.9	270.5	916.8	34.6%
Less: ELIADC Revenue	(6.3)	(6.1)	(14.9)	(14.5)	(67.7)	22.0%
Total Fuel and Purchased Power Less ELIADC Revenue	77.4	78.0	302.0	255.9	849.1	35.6%
Less: Export Revenues	-	-	(1.9)	-	-	0.0%
Less: 1PT RTP	(0.0)	(0.0)	(0.1)	(0.1)	(1.2)	8.3%
Less: Shore Power	(0.0)	-	(0.0)	-	(0.1)	0.0%
Less: EBS	-	(0.3)	-	(1.3)	(7.4)	0.0%
Less: GRLF Fuel Costs	(0.0)	(0.0)	(0.2)	(0.0)	(1.1)	18.2%
Loss / (Gain): Foreign exchange - Fuel Other	-	-	-	-	-	0.0%
Net Fuel and Purchased Power	77.3	77.7	299.8	254.5	839.2	35.7%
Total System Requirements (GWh)	1,171.7	1,139.5	3,718.0	3,511.7	11,392.0	32.6%
Less: Export Sales and Attributed Losses	-	(0.9)	(5.1)	(3.6)	(13.5)	37.8%
Less: GRLF Requirements	(0.3)	(0.2)	(2.1)	(0.5)	(15.0)	14.0%
Less: ELIADC	(73.1)	(73.0)	(181.7)	(173.8)	(810.5)	22.4%
Less: Shore Power	(0.0)	-	(0.0)	-	(1.3)	0.0%
Less: 1PT RTP	(0.1)	(0.1)	(1.1)	(1.2)	(13.1)	8.4%
Less: EBS	-	(3.6)	-	(16.6)	(95.7)	0.0%
Less: Losses ⁽²⁾	(85.2)	(82.1)	(290.5)	(254.6)	(756.7)	38.4%
Total FAM Sales	1,012.9	979.5	3,237.3	3,061.4	9,686.1	33.4%

Figures presented are rounded to one decimal place which may cause \$0.1M in rounding differences on some line items.

(1) FAM Budget reflects the GRA Compliance Filing for 2026 of \$916.8 million.

(2) Includes losses for all customer classes, with the exception of Export Sales.

Nova Scotia Power Inc.
Monthly FAM Reporting
Summary of Cost Recovery
For the Period Ended March 31, 2026
(millions of dollars)

NSPI (FAM) M-2
NON CONFIDENTIAL

Base Fuel Component (BCF)

	<u>Actual</u>	<u>Budget</u>
2026 Beginning BCF Balance	-	-
(Over)/Under-recovered Prior to Current Month	33.22	(8.65)
(Over)/Under-recovered in Current Month	(8.88)	(9.36)
Balance Yet to be Recovered	24.34	(18.01)
(Over)/Under-recovery- Remainder of the Year	N/A	(1.92)
Interest on BCF Balance	0.11	(0.35)

Actual Adjustment Component (AA)

	<u>Actual</u>	<u>Budget</u>
2026 Beginning AA Balance	165.86	60.96
Recovered/(Refunded) Prior to Current Month	-	11.77
Opening Balance as of March 1, 2026	165.86	49.19
Recovered/(Refunded) in Current Month	-	5.45
Closing Balance as of March 31, 2026	165.86	43.74
Recovered/(Refunded) Remainder of the Year	N/A	33.86
Interest on AA Balance	2.62	0.82

Balancing Adjustment Component (BA)

	<u>Actual</u>	<u>Budget</u>
2026 Beginning BA Balance	(64.25)	(61.25)
Recovered/(Refunded) Prior to Current Month	-	(13.90)
Non-fuel amounts applied to FAM prior to current period	-	-
Opening Balance as of March 1, 2026	(64.25)	(47.35)
Recovered/(Refunded) in Current Month	-	(6.44)
Non-fuel amounts applied to FAM in current period	-	-
Closing Balance as of March 31, 2026	(64.25)	(40.92)
Recovered/(Refunded) Remainder of the Year	N/A	(39.98)
Interest on BA Balance	(1.07)	(0.79)
FAM Deferral (Over)/Under-Recovery	127.61	(15.51)

Figures presented are rounded to two decimal places which may cause \$0.01M in rounding differences on some line items.

FAM Budget reflects the GRA Compliance Filing for 2026 of \$916.8 million.

Commentary for Month:

Nova Scotia Power Inc.
Monthly FAM Reporting
2026 Total Accumulated Unrecovered FAM Balance
For the Period Ended March 31, 2026
(millions of dollars)

NSPI (FAM) M-3
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Month	BA Total Outstanding	AA Total Outstanding	BCF Variance		Accumulated Interest	Total Outstanding
			To Current Month	Current Month		
January	(64.2)	165.9	0.0	13.8	0.5	115.9
February	(64.2)	165.9	13.8	19.4	1.1	135.9
March	(64.2)	165.9	33.2	(8.9)	1.7	127.6
April	(59.0)	154.8	24.3	(4.6)	2.2	117.8
May	(54.6)	145.6	19.7	(3.5)	2.7	109.9
June	(50.9)	137.7	16.2	0.7	3.2	106.9
July	(46.7)	128.9	16.9	0.9	3.7	103.7
August	(42.6)	120.2	17.8	1.4	4.1	100.9
September	(39.0)	112.8	19.2	1.6	4.6	99.1
October	(34.9)	104.1	20.8	(3.2)	5.0	91.8
November	(29.7)	93.1	17.6	(1.2)	5.4	85.2
December	(22.8)	78.6	16.4	(6.2)	5.8	71.7

Figures presented are rounded to one decimal place which may cause \$0.1M in rounding differences on some line items

**Nova Scotia Power Inc.
Monthly FAM Reporting
Fuel Policies and Organizational Changes
For the Period Ended March 31, 2026**

**NSPI (FAM) M-4
NON CONFIDENTIAL**

Fuel Manual Updates

No Fuel Manual Updates.

POA Updates

A revised version of the POA was submitted with the 2026-2027 General Rate Application (M12451). The Board approved the changes in its March 25, 2026 decision and an amended version of the FAM POA was filed as part of NS Power's GRA compliance filing on April 7, 2026.

Organizational Updates

No Organization Updates.

Nova Scotia Power Inc.
 Monthly FAM Reporting
 Mercury Abatement Program
 For the Period Ended March 31, 2026
 (millions of dollars)

NSPI (FAM) M-5
 PARTIALLY CONFIDENTIAL

Generating Unit	Additive Type	Current Month		Year-to-Date	
		Quantity	Cost \$/MWh ^a	Quantity	Cost \$/MWh ^a
Lingan - Unit 1	Powder Activated Carbon				
Lingan - Unit 2	Powder Activated Carbon				
Lingan - Unit 3	Powder Activated Carbon				
Lingan - Unit 4	Powder Activated Carbon				
Point Tupper	Powder Activated Carbon				
Trenton 5	Powder Activated Carbon				
Trenton 6	Powder Activated Carbon				
Lingan	Calcium Chloride				
Point Tupper	Calcium Chloride				
Trenton	Calcium Chloride				
Total Costs - Powder Activated Carbon		332,065 kgs	\$1.204	1,104,404 kgs	\$3.999
Total Costs - Calcium Chloride		8,165 L	\$0.005	40,039 L	\$0.023
Total Mercury Sorbent Costs			\$1.209		\$4.022

^a Calculated using actual MWh produced by unit.

Commentary for the month:

YTD emissions are estimated at 15.8 kg. The forecast indicated YTD emissions by March 2026 of 15.8 kg.

NSPI Environmental Report for Mercury Emissions (b)

Annual Limit = 45 kg (c)

Month	Reported this month (d)	Reported last month	Variance	Reason for variance	2025 Actuals (e)
Jan	6.3	6.5	-0.2	Estimated data updated with actual data	6.8
Feb	5.8	4.4	1.4		4.8
Mar	3.7				3.3
Apr					3.3
May					0.7
Jun					1.9
Jul					4.6
Aug					4.5
Sep					3.7
Oct					3.5
Nov					4.1
Dec					6.0
Year to Date (f)	15.8	10.9	1.2		45*

^b As reported by NSPI's Environmental Services.

^c Province of Nova Scotia Air Quality Regulations - Schedule C section 3(2). Annual limit of 35kg plus mercury diversion credits to a maximum of 10kg as per Schedule C section 7E(3a) for a total of 45kg.

^d This value is an estimate based on incomplete laboratory results and consumption figures. Environmental Services will finalize this result next quarter.

^e Shown for comparative purposes. Figures updated in March to reflect finalized amounts.

^f Figures presented are rounded to one decimal place which may cause \$0.1M in rounding differences on some line items.

*Per the Mercury Monitoring Protocol and Air Quality Regulations, for reporting purposes, NS Power applies +/- 5% to the annual emissions.

	Current Month			Year-to-Date		2026 Budget
	Actual	Budget	% Change	Actual	Budget	Budget
Solid Fuel						
Solid Fuel Consumption Costs (\$)						
Solid Fuel Consumption (MMBtu)						
Solid Fuel Generation (MWh)						
Solid Fuel Price (\$/MMBtu) ⁽¹⁾						
Solid Fuel Price (\$/MWh)						
Natural Gas						
Natural Gas Consumption Costs (\$)						
Natural Gas Consumption (MMBtu)						
Natural Gas Generation (MWh)						
Natural Gas Price (\$/MMBtu) ⁽¹⁾						
Natural Gas Price (\$/MWh)						
Biomass						
Biomass Consumption Costs (\$)						
Biomass Consumption (MMBtu)						
Biomass Generation (MWh)						
Biomass Price (\$/MMBtu)						
Biomass Price (\$/MWh)						
Bunker						
Bunker Consumption Costs (\$)						
Bunker Consumption (MMBtu)						
Bunker Generation (MWh)						
Bunker Price (\$/MMBtu) ⁽¹⁾						
Bunker Price (\$/MWh)						
Light Fuel Oil						
Light Fuel Oil Consumption Costs (\$)						
Light Fuel Oil Consumption (MMBtu)						
Light Fuel Oil Generation (MWh)						
Light Fuel Oil Price (\$/MMBtu)						
Light Fuel Oil Price (\$/MWh)						
Imports⁽²⁾						
Imported Power Volume (MWh)						
Imported Power Price (\$/MWh) ⁽¹⁾						
Non-Wind IPP Purchases						
IPP Purchase Volumes (MWh)						
IPP Purchase Price (\$/MWh)						
Wind IPP Purchases						
Wind Purchase Volumes (MWh)						
Wind Purchase Price (\$/MWh)						
COMFIT						
COMFIT Purchase Volumes (MWh)						
COMFIT Purchase Price (\$/MWh)						
Maritime Link						
NS Block & Supplemental Volumes (MWh)	123,150	125,200	-2%	359,596	363,485	1,134,000

FAM Budget reflects the GRA Compliance Filing for 2026 of \$916.8 million.

Consumption cost totals above are at the budget effective USD rate for the year. These figures do not include the impact of monthly foreign exchange rate variations that are reflected in Summary of Fuel Costs (Report M-1).

⁽¹⁾ Includes impact of commodity hedge settlements.

⁽²⁾ Includes purchased energy via the Energy Access Agreement with Newfoundland and Labrador Hydro.

Nova Scotia Power Inc.
 Monthly FAM Reporting
 Volume and Pricing Summary
 For the Period Ended March 31, 2026

NSPI (FAM) M-7
 NON CONFIDENTIAL

<u>Category</u>	<u>Variance from Budget</u>	<u>Details</u>
Total Fuel and Purchased Power Expense	0.5% below Budget for the month	
Total System Requirements	2.8% above Budget for the month	
Total FAM Sales	3.4% above Budget for the month	March's 1,012.9 GWh was more than the FAM Budget of 979.5 GWh.
Net Fuel and Purchased Power Costs	0.5% below Budget for the month	March's \$77.3M was less than the FAM Budget of \$77.7M.
Purchased Power Costs	16.3% above Budget for the month	March's \$25.7M was more than the FAM Budget of \$22.1M. Purchased Power was higher primarily due to higher energy available from Newfoundland and Labrador Hydro (Energy Access Agreement). Non-wind IPP purchases were up due to legislation introduced after the FAM Budget was finalized that increased the rate paid for dispatchable biomass generation. In addition, 2 IPP Wind sites reached commercial operation earlier than expected meaning more IPP Wind energy available to purchase.
Maritime Link	Equal to Budget for the month	March's \$13.3M was equal to the FAM Budget of \$13.3M.
Solid Fuel Costs	15.2% below Budget for the month	March's \$29.6M was less than the FAM Budget of \$34.9M. Solid Fuel expenditure decreased due to the impact of quarterly coal pile surveys requiring accounting adjustments to decrease the consumption of coal with no associated generation in addition to decreased generation of solid fuel compared to budget.
Natural Gas	Above Budget for the month	March's \$10.2M was more than the FAM Budget of \$8.2M. Natural Gas was higher primarily due to increased generation as a result of total system requirements as well as to displace the lower generation from solid fuel. Partially offset by lower than budgeted commodity pricing.
Biomass Fuel Costs	4.3% above Budget for the month	March's \$2.4M was more than the FAM Budget of \$2.3M.
Heavy Fuel Oil	Above Budget for the month	March's \$2.5M was more than the FAM Budget of \$0.2M. The increase was the result of higher total system requirements.
Mercury Sorbent/Additives	19% below Budget for the month	March's \$1.7M was less than the FAM Budget of \$2.1M.
GHG Compliance	Below Budget for the month	March's credit of (\$3.5M) was less than the FAM Budget of \$0.5M. The decrease is due as result of updated estimated carbon emissions for 2026 actuals.
Mercury Emissions	Equal to Budget for the month	March's 3.7kg was equal to the Budget of 3.7kg.

Nova Scotia Power Inc.
Monthly FAM Reporting
ELIADC Tariff Revenue
For the Period Ended March 31, 2026

NSPI (FAM) M-8
PARTIALLY CONFIDENTIAL

	March \$	March MWH
CBL Energy Charge - Fuel & Purchased Power ⁽¹⁾	\$ 5,650,275	80,902
Adjustment - 2025 ⁽²⁾	149,304	
Adjustment - 2025 VOM ⁽²⁾	(384,789)	
Adjustment - Q1 2026 ⁽³⁾	1,583,578	
Accrual Booked	503,153	5,493
Accrual Reversed	(1,213,688)	(13,250)
ELIADC in Monthly FAM Report (reported on M-1)	\$ 6,287,833	73,145

ELIADC Report							
Month	CBL Energy Charge (\$)		Total Actual Energy (MWh) ⁽¹⁾	Target Energy (MWh)	CBL Adder (\$)		Total Billed Charge (\$)
	Fuel & Purchased Power Charge	Variable Operating & Maintenance Charge			Fixed Cost Recovery	Var Capital Adder (\$)	
March 2026 ⁽⁴⁾	\$ 5,650,275	\$ 114,072	80,902		\$ 404,511	\$ 82,520	\$ 6,251,378

⁽²⁾ The Adjustment - 2025 relates to the recording of the 2025 ADC differential and adjustments to VOM filed in the ELIADC Annual Report.

⁽³⁾ The Adjustment - Q1 2026 is preliminary. The difference between the preliminary amount and the confirmed amount will be finalized with the ELIADC 2026 Annual Report.

⁽⁴⁾ 2026 AARs were approved approved on March 9th, 2026, with ELIADC retroactively effective as of February 1, 2026. These amounts include any billing adjustments that were required that were not previously reported within these reports.

Product	Buy/Sell	Date/Time	Volume ⁽²⁾	Price ⁽¹⁾	Cost/(Revenue) ⁽¹⁾
[REDACTED]					

Product	Buy/Sell	Date/Time	Volume ⁽²⁾	Price ⁽¹⁾	Cost/(Revenue) ⁽¹⁾
[REDACTED]					

Product	Buy/Sell	Date/Time	Volume ⁽²⁾	Price ⁽¹⁾	Cost/(Revenue) ⁽¹⁾

Product	Buy/Sell	Date/Time	Volume ⁽²⁾	Price ⁽¹⁾	Cost/(Revenue) ⁽¹⁾
[REDACTED]					

Product	Buy/Sell	Date/Time	Volume ⁽²⁾	Price ⁽¹⁾	Cost/(Revenue) ⁽¹⁾

⁽¹⁾ Transactions are denoted in \$USD.

⁽²⁾ Power and natural gas transactions are measured in MWh and MMBtu, respectively.