

February 23, 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 – January 2026

Dear Ms. Henwood:

Please find enclosed Nova Scotia Power’s FAM Monthly report for January 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 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 filing, which includes actuals up to December.

January 2026 Results

As shown in Figure 1, for the month of January there was increased energy from HFO, IPPs and Imports from Labrador Hydro (Energy Access Agreement), which was partially offset by lower NS Power Owned Wind, Hydro & Solar, energy from Solid Fuel and NS Block.

Figure 1

Month

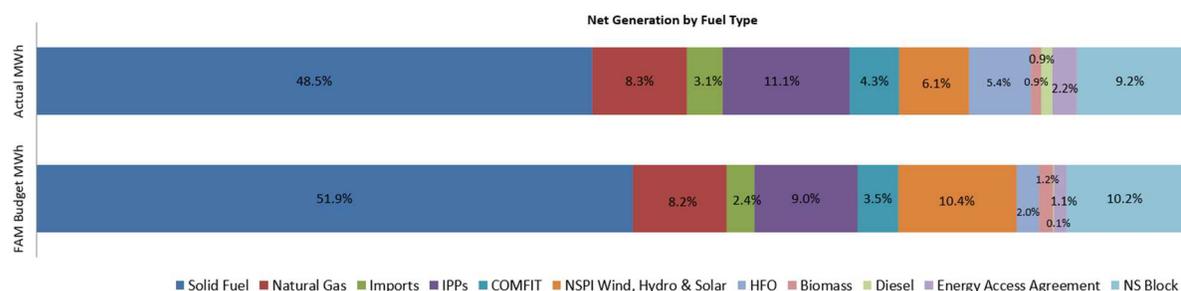


Table 1

January FAM (Over)/Under-Recovery (in \$ million)			
	Actual	FAM Budget	Variance
Total fuel and purchased power	120.7	102.7	18.0
Fuel adjustments	(6.6)	(5.1)	(1.5)
Total Adjusted Fuel Costs	114.1	97.6	16.5
Revenue	(100.3)	(96.1)	(4.2)
FAM Under Recovery	13.8	1.5	12.3

*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 of \$918.6 million.

For the month of January 2026 there was a variance of \$12.3 million in FAM under-recovery as compared to the FAM Budget (\$13.8 million actual under-recovery as compared to \$1.5 million under-recovery in the FAM Budget).

For the month of January 2026, load was approximately 119.9 GWh higher than the FAM Budget, resulting in an increase in fuel costs of \$9.1 million.

The January variance between the actual total fuel and purchased power cost and the FAM Budget total fuel and purchased power costs (excluding load) is unfavorable by \$8.9 million. The following table sets out the components of the variance between actual fuel and purchased power cost as compared to the FAM Budget.

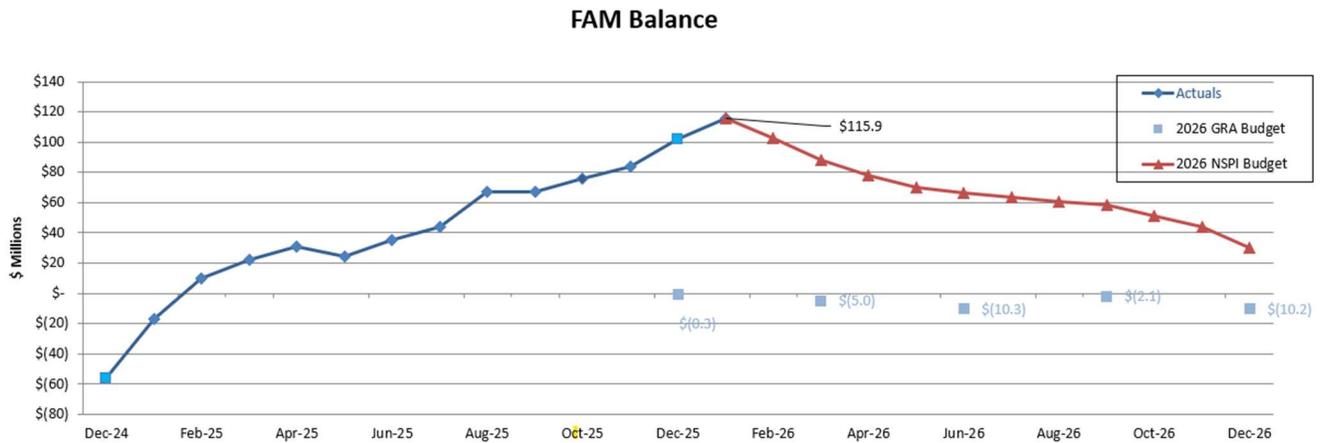
Table 2

Fuel and Purchased Power Variance (in \$ millions) *	
	Actual vs FAM Budget
Generation mix	\$8.5
Natural gas, HFO, and LFO pricing and mix	\$7.0
Purchased power pricing and mix	\$5.2
Plant Dispatch	\$2.9
Nova Scotia OBPS carbon tax	\$(6.1)
Solid Fuel pricing and mix, additives, and adjustments	\$(5.1)
Maritime Link Assessment	\$(3.5)
Total excluding load	\$8.9

*Figures presented in Table 2 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 of \$918.6 million.

As shown in Figure 2 below, as of January 31, 2026, the FAM Balance is an under-recovery of \$115.9 million. Both the GRA and NS Power Internal Budget assumed an increase in fuel rates and collection of AA/BA beginning January 1, 2026.

Figure 2



As shown in Table 3 below, natural gas consumption was higher than budget. This was a result of increased natural gas dispatch compared to the FAM Budget.

Table 3

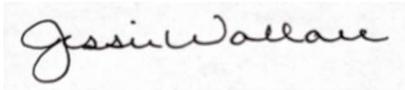
	Variance from FAM Budget*
Natural gas consumption (MMBtu)	118,258
Natural gas price (\$/MMBtu)	\$ 5.21

*Variances are against the FAM Budget which reflects the 2026 GRA filing of \$918.6 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) 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 \$7.3 million.

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

Yours truly,



Jessie Wallace,
Manager, Regulatory Strategic Planning and Innovation

c. Intervenors

Encl.

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

REDACTED

Nova Scotia Power Inc.
Monthly FAM Reporting
Summary of Fuel Costs
For the Period Ended January 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	42.2	41.9	42.2	41.9	293.5	14.4%
Natural Gas	19.4	12.7	19.4	12.7	87.4	22.2%
Biomass	1.9	2.2	1.9	2.2	21.6	8.8%
Bunker C	11.3	4.4	11.3	4.4	7.8	144.9%
Furnace	0.4	0.6	0.4	0.6	4.0	10.0%
Diesel	4.0	0.3	4.0	0.3	0.8	500.0%
Additives	1.9	2.6	1.9	2.6	17.9	10.6%
GHG Compliance	(4.4)	1.6	(4.4)	1.6	5.7	-77.2%
Subtotal	76.6	66.3	76.6	66.3	438.7	17.5%
Import Purchases	7.6	4.8	7.6	4.8	94.7	8.0%
Maritime Link	13.3	16.7	13.3	16.7	200.5	6.6%
Non-Wind IPP Purchases	6.0	3.0	6.0	3.0	35.3	17.0%
Wind Purchases	8.5	6.0	8.5	6.0	80.9	10.5%
COMFIT Purchases	7.7	5.9	7.7	5.9	67.5	11.4%
Fuel for Resale Net Margin	(0.0)	-	(0.0)	-	-	0.0%
Exports	1.0	-	1.0	-	-	0.0%
Fuel and Purchased Power	120.6	102.7	120.6	102.7	917.5	13.1%
Water Royalties	0.1	0.1	0.1	0.1	1.1	9.1%
Total Fuel and Purchased Power	120.720	102.7	120.7	102.7	918.6	13.1%
Less: ELIADC Revenue	(4.5)	(4.5)	(4.5)	(4.5)	(67.7)	6.6%
Total Fuel and Purchased Power Less ELIADC Revenue	116.2	98.3	116.2	98.3	850.9	13.7%
Less: Export Revenues	(1.9)	-	(1.9)	-	-	0.0%
Less: 1PT RTP	(0.1)	(0.1)	(0.1)	(0.1)	(1.2)	8.3%
Less: Shore Power	-	-	-	-	(0.1)	0.0%
Less: EBS	-	(0.5)	-	(0.5)	(7.4)	0.0%
Less: Back Up / Top Up ⁽²⁾	-	-	-	-	-	0.0%
Less: GRLF Fuel Costs	(0.1)	(0.0)	(0.1)	(0.0)	(1.1)	9.1%
Loss / (Gain): Foreign exchange - Fuel Other	-	-	-	-	-	0.0%
Net Fuel and Purchased Power	114.1	97.7	114.1	97.7	841.0	13.6%
Total System Requirements (GWh)	1,352.0	1,232.1	1,352.0	1,232.1	11,392.0	11.9%
Less: Export Sales and Attributed Losses	(5.1)	(1.7)	(5.1)	(1.7)	(13.5)	37.8%
Less: GRLF Requirements	(0.9)	(0.2)	(0.9)	(0.2)	(15.0)	6.0%
Less: ELIADC	(49.4)	(53.6)	(49.4)	(53.6)	(810.5)	6.1%
Less: Shore Power	-	-	-	-	(1.3)	0.0%
Less: 1PT RTP	(0.5)	(0.8)	(0.5)	(0.8)	(13.1)	3.8%
Less: EBS	-	(6.6)	-	(6.6)	(95.7)	0.0%
Less: Back Up / Top Up ⁽²⁾	-	-	-	-	-	0.0%
Less: Losses ⁽³⁾	(117.0)	(89.7)	(117.0)	(89.7)	(756.7)	15.5%
Total FAM Sales	1,179.0	1,079.5	1,179.0	1,079.5	9,686.1	12.2%

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 Filing for 2026 of \$918.6 million.

(2) Back Up / Top Up customers are excluded in actuals and budget.

(3) 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 January 31, 2026
(millions of dollars)

NSPI (FAM) M-2
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Base Fuel Component (BCF)

	<u>Actual</u>	<u>Budget</u>
2026 Beginning BCF Balance	-	-
(Over)/Under-recovered Prior to Current Month	-	-
(Over)/Under-recovered in Current Month	13.82	1.54
Balance Yet to be Recovered	13.82	1.54
(Over)/Under-recovery- Remainder of the Year	N/A	1.54
Interest on BCF Balance	(0.00)	(0.05)

Actual Adjustment Component (AA)

	<u>Actual</u>	<u>Budget</u>
2026 Beginning AA Balance	165.86	60.96
Recovered/(Refunded) Prior to Current Month	-	-
Opening Balance as of January 1, 2026	165.86	60.96
Recovered/(Refunded) in Current Month	-	6.09
Closing Balance as of January 31, 2026	165.86	54.87
Recovered/(Refunded) Remainder of the Year	N/A	-
Interest on AA Balance	0.87	0.30

Balancing Adjustment Component (BA)

	<u>Actual</u>	<u>Budget</u>
2026 Beginning BA Balance	(64.25)	(61.25)
Recovered/(Refunded) Prior to Current Month	-	-
Non-fuel amounts applied to FAM prior to current period	-	-
Opening Balance as of January 1, 2026	(64.25)	(61.25)
Recovered/(Refunded) in Current Month	-	(7.19)
Non-fuel amounts applied to FAM in current period	-	-
Closing Balance as of January 31, 2026	(64.25)	(54.06)
Recovered/(Refunded) Remainder of the Year	N/A	N/A
Interest on BA Balance	(0.36)	(0.30)
FAM Deferral (Over)/Under-Recovery	115.94	2.30

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 Filing for 2026 of \$918.6 million.

Commentary for Month:

Nova Scotia Power Inc.
Monthly FAM Reporting
2026 Total Accumulated Unrecovered FAM Balance
For the Period Ended January 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	(57.4)	151.5	13.8	(6.5)	1.1	102.5
March	(50.7)	137.4	7.3	(7.7)	1.5	87.8
April	(45.5)	126.4	(0.4)	(4.6)	2.0	77.8
May	(41.1)	117.1	(5.0)	(3.5)	2.3	69.8
June	(37.3)	109.2	(8.5)	0.7	2.7	66.8
July	(33.2)	100.5	(7.8)	0.9	3.0	63.4
August	(29.1)	91.8	(6.9)	1.4	3.4	60.5
September	(25.5)	84.3	(5.5)	1.6	3.6	58.4
October	(21.4)	75.6	(4.0)	(3.2)	3.9	50.9
November	(16.2)	64.6	(7.2)	(1.2)	4.1	44.2
December	(9.3)	50.1	(8.3)	(6.2)	4.2	30.5

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 January 31, 2026**

**NSPI (FAM) M-4
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Fuel Manual Updates

No Fuel Manual Updates.

POA Updates

No POA Updates.

Organizational Updates

No Organization Updates.

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

NSPI (FAM) M-5
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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		372,905	kgs	\$1.338	372,905	kgs	\$1.338
Total Costs - Calcium Chloride		22,649	L	\$0.013	22,649	L	\$0.013
Total Mercury Sorbent Costs				\$1.351			\$1.351

^a Calculated using actual MWh produced by unit.

Commentary for the month:

YTD emissions are estimated at 5.8 kg. The forecast indicated YTD emissions by January 2026 of 6.2 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	5.8		5.8	Estimated data updated with actual data	
Feb			0.0		
Mar			0.0		
Apr			0.0		
May			0.0		
Jun			0.0		
Jul			0.0		
Aug			0.0		
Sep			0.0		
Oct			0.0		
Nov			0.0		
Dec			0.0		
Year to Date (f)	5.8	0.0	5.8		

^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 2025 estimates are still being finalized and will be provided in a future FAM report.

^f 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
 Volume and Pricing Summary
 For the Period Ended January 31, 2026

NSPI (FAM) M-6
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	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)	124,647	125,200	0%	124,647	125,200	1,134,000

FAM Budget reflects the GRA Filing for 2026 of \$918.6 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 January 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	17.5% above Budget for the month	
Total System Requirements	9.7% above Budget for the month	
Total FAM Sales	9.2% above Budget for the month	January's 1,179.0 GWh was more than the FAM Budget of 1,079.5 GWh.
Net Fuel and Purchased Power Costs	16.8% above Budget for the month	January's \$114.1M was more than the FAM Budget of \$97.7M.
Purchased Power Costs	50.8% above Budget for the month	January's \$29.7M was more than the FAM Budget of \$19.7M. Purchased Power was higher primarily due an increase in imported power pricing. In addition, 2 IPP Wind site reached commercial operation earlier than expected in budget and more favorable wind conditions compared to budget meaning more IPP/COMFIT energy was available to be purchased.
Maritime Link	20.4% below Budget for the month	January's \$13.3M was less than the FAM Budget of \$16.7M. December was lower as result of timing of when the semi-annual repayments of the FLG loan will occur.
Solid Fuel Costs	0.7% above Budget for the month	January's \$42.2M was more than the FAM Budget of \$41.9M. Solid fuel is higher due to increased consumption, partially offset by lower commodity pricing.
Natural Gas	52.8% above Budget for the month	January's \$19.4M was more than the FAM Budget of \$12.7M. Natural Gas expenditure was higher primarily due to increased commodity pricing and increased consumption as result of higher system requirements.
Biomass Fuel Costs	13.6% below Budget for the month	January's \$1.9M was less than the FAM Budget of \$2.2M.
Heavy Fuel Oil	Above Budget for the month	January's \$11.3M was more than the FAM Budget of \$4.4M. Increase is as result of increased total system requirements resulting in increased HFO generation Tufts Cove, Trenton and Lingan.
Mercury Sorbent/Additives	Below Budget for the month	January's \$1.9M was less than the FAM Budget of \$2.6M.
GHG Compliance	Below Budget for the month	January's credit of (\$4.4M) was less than the FAM Budget of \$1.6M. The decrease is due an adjustment to the previously recorded 2025 OBPS provision that led to a decrease in the expected payment to occur.
Mercury Emissions	Below Budget for the month	January's 5.8kg was less than the Budget of 6.2kg.

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

NSPI (FAM) M-8
 REDACTED

	January \$	January MWH
CBL Energy Charge - Fuel & Purchased Power ⁽¹⁾	\$ 4,610,089	50,328
Accrual Booked	518,713	5,663
Accrual Reversed	(601,273)	(6,564)
ELIADC in Monthly FAM Report (reported on M-1)	\$ 4,527,529	49,427

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 (\$)	
January 2026	\$ 4,610,089	\$ 70,269	50,328		\$ 201,314	\$ 168,097	\$ 5,049,768



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⁾
[REDACTED]					

Product	Buy/Sell	Date/Time	Volume ⁽²⁾	Price ⁽¹⁾	Cost/(Revenue) ⁽¹⁾
[REDACTED]					
⁽¹⁾ Transactions are denoted in \$USD.					

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