

NOVA SCOTIA REGULATORY AND APPEALS BOARD

IN THE MATTER OF THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF AN APPLICATION by the **VILLAGE OF BADDECK** on behalf of its **WATER UTILITY** for approval of amendments to its Schedule of Rates for Water and Water Services and amendments to its Schedule of Rules and Regulations

BEFORE: Bruce H. Fisher, MPA, CPA, Member

APPLICANT: **VILLAGE OF BADDECK WATER UTILITY**

Gerry Isenor, P.Eng.
G.A. Isenor Consulting Limited

Blaine Rooney, CPA, CA
Blaine S. Rooney Consulting Limited

Roman Braun-Huettner
Village Manager

HEARING DATE: September 3, 2026

FINAL SUBMISSIONS: September 8, 2026

DECISION DATE: **September 29, 2026**

DECISION: **Schedules of Rates for Water and Water Service are approved, with the effective dates of October 1, 2026, April 1, 2027, and April 1, 2028.**

Schedule of Rules and Regulations is approved, with the effective date of October 1, 2026.

The Board has also made directions as outlined in this decision.

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1.0 SUMMARY

[1] On July 7, 2026, the Village of Baddeck (Village), on behalf of its water utility (utility), applied to the Board to increase water rates for its customers, effective October 1, 2026, with further increases effective April 1, 2027, and April 1, 2028. The utility also requested that the fire protection charges paid to the utility by the Village and the Municipality of the County of Victoria (Municipality) remain the same in the first test year, then increase in each of the following two years.

[2] A rate study to support the application dated June 18, 2026, was prepared by the utility's consultants, G.A. Isenor Consulting Limited, in association with Blaine S. Rooney Consulting Limited, and was submitted to the Nova Scotia Regulatory and Appeals Board (Board) on July 7, 2026. Information Requests (IRs) were issued by Board staff on August 12, 2026, and the utility filed responses on August 26, 2026.

[3] During the hearing, the Board requested three undertakings to provide additional information that were sent to the utility on September 4, 2026. The utility filed its undertaking responses on September 8, 2026.

[4] In the 2024/25 fiscal year, the utility had an operating surplus of \$28,402 and projects a surplus of just \$2,679 for 2025/26, leaving it with an accumulated surplus of \$497,070. Based on existing rates, the utility is projecting operating deficits over the test period of about \$191,000 for the 2026/27 fiscal year, \$274,000 in 2027/28, and \$354,000 in 2028/29. These projected deficits would leave the utility with an estimated accumulated deficit of almost \$202,000 on March 31, 2029.

[5] The utility's proposal, based on the assumptions in the rate study, results in increases in rates required for all unmetered and metered customers for fiscal years 2026/27, 2027/28 and 2028/29. The rate study proposed to transfer \$130,000 of the

utility's accumulated surplus to non-operating revenue in 2026/27 and \$120,000 in 2027/28 to reduce the size of the rate increases required in those years.

[6] For unmetered residential customers, their quarterly bill is proposed to increase in each of the test years by 23.3%, 22.2% and 27.2%, respectively. The unmetered rates are based on quarterly consumption of 37.5 m³ per quarter. For 5/8" metered customers, based upon average quarterly consumption (27.4 m³), the proposed increases in each of the test years are 20.1%, 22.3% and 25.6%, respectively.

[7] For all other metered customers, based upon average quarterly consumption of each meter size, the proposed rate increases are between 20.7% and 23.8% in 2026/27, 22.6% and 22.8% in 2027/28, and 26.8% and 28.4% in 2028/29.

[8] The application also proposed amendments to the annual charge paid by the Village and the Municipality for water for its fire protection service. The total annual public fire protection charge, currently \$127,937, is proposed to remain the same in 2026/27, then increase to \$138,852 in 2027/28, and to \$219,967 in 2028/29. The fire protection charge is allocated between the Village and the Municipality based on the number of hydrants in each entity.

[9] Public notice of the hearing was advertised in the Cape Breton Post on July 23, 2026, July 29, 2026, and August 4, 2026 [Exhibit B-2].

[10] Following public notice, the Board held a public hearing at the Victoria County Court House in Baddeck on Thursday, September 3, 2026. The utility's consultants represented the utility and were accompanied by Roman Braun-Huettner, Village Manager. No members of the public requested to speak during the hearing, and the Board received no letters of comment.

[11] In addition to the utility's operating costs increasing, the cost of capital additions and replacing aging infrastructure must also be included in the rates. These capital improvements and any associated funding over the test period were budgeted in the rate study submitted with the application. The utility's planned spending for capital projects in the test years is \$874,843 in 2026/27, \$1,334,000 in 2027/28, and \$762,000 in 2028/29.

[12] Since the last rate study in 2023, the utility has replaced all the old water meters with smart meters to ensure consumption data is accurate.

[13] The Board reviewed the rate study and the other evidence provided. The Board finds that the proposed rate changes are reasonable and approves the Schedules of Rates for Water and Water Services, effective October 1, 2026, April 1, 2027, and April 1, 2028, respectively. The utility proposed limited changes to its Schedule of Rules and Regulations, and the Board approves it as filed, effective October 1, 2026.

2.0 BACKGROUND

[14] The Village gets its water from two drilled wells. Each well site has a pumphouse that encloses above-ground valves, piping, instrumentation, and control equipment. The two wells are located approximately 8 km outside of the Village. The two wells pump to an open concrete-lined reservoir with a nominal capacity of 3,700 m³.

[15] The water treatment plant consists of a sodium hypochlorite system, which was changed over from gas chlorination in 2023. Treated water is stored in a 1,079 m³ glass-lined steel water storage tank upslope of the water treatment plant, which maintains water pressure to the Village.

[16] Since the most recent rate study, the utility has finalized its infrastructure assessment and has upgraded its Supervisory Control and Data Acquisition (SCADA) system to help track leaks and to comply with the Nova Scotia Department of Environment and Climate Change regulations. The utility also completed a switchover of its meters to smart meters, leaving only six customers requiring manual meter readings.

[17] The utility currently serves approximately 601 customers. At the time the last rate study was filed, the utility had 632 customers. As part of the meter replacement program, the number of customers was updated to reflect active accounts. The utility projects that it will add three 5/8" metered customers per year over each of the final two test periods.

[18] The utility requires rate adjustments to continue meeting its operational obligations, address its projected operating deficits, and carry out necessary capital improvements. The utility's consultants prepared a rate study dated June 18, 2026, supporting the application.

[19] The rate study calculated quarterly rate increases for unmetered residential customers, based on quarterly consumption of 37.5 m³. The current quarterly bill is \$134.32 and is proposed to increase to \$165.65 in 2026/27 (23.3%), \$202.38 in 2027/28 (22.2%), and \$257.42 in 2028/29 (27.2%). For 5/8" metered customers, based on average usage (27.4 m³), the proposed increases are 20.1% in 2026/27, 22.3% in 2027/28, and 25.6% in 2028/29.

[20] For all other metered customers, based on average usage for each meter size, average rate increases are projected to be between 20.7% and 23.8% in 2026/27, 22.6% and 22.8% in 2027/28, and 26.8% and 28.4% in 2028/29.

[21] The utility also provides water to the Village and Municipality for fire protection. The fire protection charge is currently \$127,937 per year and is proposed to remain the same for 2026/27, then increase to \$138,852 in 2027/28, an 8.5% increase, and to \$219,967 in 2028/29, a 58.4% increase. The utility's calculation of the charge for the final two test years is based on the cost-of-service allocation methodology set out in the Board's *Water Utility Accounting and Reporting Handbook (Handbook)*.

[22] At the time of the utility's last rate application, non-revenue water was approximately 40% of total water produced. The utility considered this amount of non-revenue water to be high and an issue for the utility. In response to IR-6, the utility noted that the most recent estimate of non-revenue water, based on total water produced, was 64%. In response to IR-6b), the utility responded with the following:

The Utility had a study of its raw water storage reservoir done to two years ago which identified [the reservoir] as a major source of leakage. The Utility has retained a company to drain the reservoir and repair cracks in the liner. This work was recently completed and the results are now being monitored. The Rate Study includes backup power (generators) for the existing water supply wells and treatment system in 2026/27 and a new production well in 2027/28. Once these works are completed the Utility is going to consider the decommissioning of the raw water storage reservoir as noted in the System Assessment Report.

[Exhibit B-3, p. 6]

3.0 REVENUE REQUIREMENTS

3.1 Operating Expenditures

[23] For the fiscal year ended March 31, 2025, the utility had an excess of revenue over expenses of \$28,402 and an accumulated operating surplus of \$495,070. For the year ended March 31, 2026, the utility projects an excess of revenue over expenses of \$2,679, leading to an accumulated surplus of \$497,749.

[24] The rate study projects that, at current rates, the utility's expenses will exceed revenues by \$191,066 in 2026/27, \$274,216 in 2027/28, and \$354,433 in 2028/29. The utility proposes to use \$130,000 of its accumulated surplus in 2026/27 and \$120,000 in 2027/28 to offset rate increases in those two years. Without a rate adjustment, and adjusting for an error in Worksheet B-1, the utility projects an accumulated deficit of \$321,966 at the end of the test period.

[25] As part of the IR process, Board staff asked for additional information for significant changes in cost items from the 2025/26 to the 2026/27 budgeted amounts. In its responses, the utility provided the rationale for these changes. The major contributors to the cost increases are general pay raises and associated benefits for employees; the property tax bill being issued to the utility, which was previously written off by the Village; higher repair and maintenance costs for utility roads that were previously maintained by the Department of Public Works; additional costs for testing to comply with the Nova Scotia Department of Environment and Climate Change's sampling plan; increased computer expenses related to the smart meter program; and the utility retaining a consulting engineer for water hookups and utility-related inquiries.

[26] The utility described its budgeting process in response to IR-20 as follows:

Utility staff provide monitoring and monthly reporting to the Village Commission of revenue and expenses compared to budget. The Budget is prepared by staff based on previous years' revenue and expenses and the planned projects and expenses for the upcoming year. Staff include projected new water meters and quarterly billing for proper revenue estimation. The Village Commission reviews the budget in detail and before approving it in a public meeting.

[Exhibit B-3, p. 14]

[27] The utility noted that the biggest change in budgeting relates to the accessibility of the consumption data used for budgeting, which was not readily available in 2023.

[28] In response to IR-11, the utility explained how costs are allocated between the utility and the Village, as follows:

The Village is allocating all outside operational cost to the Utility when the invoice is processed. Staffing allocation is based on timesheets in the last 2 years to track the staffing hours allocated to the Utility.

[Exhibit B-3, p. 11]

[29] The projected depreciation expense in each test year is based on current depreciation expense plus the projected depreciation on planned capital additions in each test year. The utility noted that the depreciation rates used for the various asset classes conform to the guidelines set out in the *Handbook*. Capital items not identified in the *Handbook* are depreciated based on the estimated useful life of the asset.

3.1.1 Findings

[30] Without an increase in rates, the utility's accumulated surplus will likely be eliminated in the third test year (2028/29), then face a growing accumulated deficit in subsequent years.

[31] The Board reviewed the various operating expenses and the utility's explanations for the budgeted amounts. The annual increases in operating expenses are generally based on increases of 3% per year over the test period. The Board accepts the explanations for the increases and assumptions provided by the utility. The operating expenses requested by the utility over the test period are reasonable and appear to be required for the proper functioning of the utility.

[32] The Board also accepts the utility's explanation for the allocation of expenses between the Village and the utility, as well as its budgeting procedures. The Board reminds the utility to continue to review these allocations and revise them when necessary to reflect its share of common costs.

[33] The Board notes that the utility's operating expenses appear to have exceeded its operating revenues for several years. The utility has offset this loss through using amortization of contributed capital, a practice that is not sustainable and that in 2024 the Board advised it to discontinue the practice. As discussed later in this decision, the utility is reducing this use and will have eliminated it by the third test year.

[34] The Board finds the projected depreciation expense, and the explanation provided for the depreciation on capital works not included in the *Handbook*, to be reasonable.

3.2 Capital Budget and Funding

[35] The rate study included the utility's capital additions of \$394,755 in 2025/26 and its proposed capital additions for each of the three test years. The proposed capital additions are \$874,843 in 2026/27, \$1,334,000 in 2027/28, and \$762,000 in 2028/29.

[36] Worksheet B-3 in the rate study included the funding sources for the projects for the test years as follows:

	2026/27	2027/28	2028/29
External Funding	\$485,855	\$724,500	\$384,333
Depreciation Funds	\$250,000	\$220,000	\$270,000
Long-Term Debt	\$138,988	\$389,500	\$107,667

[37] In response to IR-27, the utility provided a list of the capital projects that made up the totals noted above. In response to IR-28, the utility noted the sources of outside funding for the capital items and whether the funding was already secured. The utility further noted that it would not move forward with the 2027/28 and 2028/29 projects if grant funding could not be secured. It is actively seeking external sources of funding.

[38] The balance in the depreciation fund on March 31, 2025, was \$204,842, as provided in Worksheet B-3. After the contributions and expenditures over the test period, the fund is expected to have a balance of just \$52,832 at the end of the final test year. In response to IR-29, the utility noted that the depreciation fund balance would be higher at the end of each test year if it used its accumulated surplus to fund the capital program. There is not enough cash to cover the surplus, and using any more surplus would put it in a negative working capital cash position in the final two test years.

3.2.1 Findings

[39] The utility explained its planned capital projects and their anticipated timelines. The Board accepts the utility's proposed level of capital spending as filed in the rate study. The utility's projected depreciation fund balance will be reduced from its current balance to just \$52,832, due to the proportion of funding for its proposed capital program coming from depreciation funds.

[40] Although the balance in the depreciation fund will be relatively depleted at the end of the test period, given the amount of capital spending, the depreciation expense and associated transfers to the depreciation fund will increase from \$184,783 in 2025/26 to about \$270,000 per year in the final test year. These transfers will increase the amount of funding available from depreciation each year going forward.

[41] The Board encourages the utility to continue looking for external sources of funding so it can meet its capital plan over the test period.

[42] The utility is reminded that including the proposed capital projects in the rate study for the purpose of setting rates does not constitute Board approval of these projects. Section 35 of the *Public Utilities Act*, RSNS 1989, c 380, states that Board approval is required for any capital projects more than \$250,000.

3.3 Non-Operating/Other Revenues and Expenditures

[43] The utility's other operating and non-operating revenue offsets the amount of revenue required to be collected from customers and fire protection charges. In contrast, non-operating expenses increase the amount of revenue required from those sources.

[44] Other operating revenue totals \$6,300 in each of the test years. This amount consists of account creation fees, disconnection fees, water and service connections/reconnections, and water supplied from hydrants. The other operating revenue for sprinkler service and private hydrants is estimated to be \$3,400 in each of the test years.

[45] The non-operating revenue from interest and other income is projected to be \$1,000 in each test year. In addition, the utility proposes two measures to reduce the revenue required from other sources in the first two test years and, to reduce the size of the rate increases in those years. The first measure is to reduce the amortization of contributed capital of \$152,962 in the 2025/26 operating budget, to \$76,000 in 2026/27 and \$50,000 in 2027/28 and to zero in 2028/29. In addition, it will transfer the \$130,000 in 2026/27 and \$120,000 in 2027/28 from accumulated surplus. Up to 2025/26, the utility has a small operating surplus with an accumulated surplus estimated to be \$497,749 as of March 31, 2026. The surplus was accumulated over several years, prior to the previous rate case.

[46] The Board's decision of the utility's previous rate application in Matter M11320 (2024 NSUARB 27), paragraph 49, directed the utility not to include any

amortization of deferred capital to offset rates in future rate studies and to look at other ways of phasing in increases over a test period.

[47] In response to IR-13, the utility noted that at the time of the last rate application it thought it could eliminate the amortization of deferred capital contributions before the end of that test year, but it based its revenue requirement on poor information when it came to metered consumption. Consumption was estimated to be 177,256 m³, but actual consumption for that year and subsequent years ranged from 119,000 m³ to 137,000 m³. In addition to revenue not meeting projections, the utility does not have the cash to cover the full amount of the surplus. If it did, the utility could have used more of the surplus to suppress rates as opposed to contributed capital recognition. As such, the utility is proposing using some amortization of contributed capital to offset rate increases in the first two test years, without going into the negative cash flow position that using more of the surplus would require.

[48] The rate study includes non-operating expenses consisting of debt charges on new debt the utility anticipates taking out over the test period to fund its capital program. The debt servicing cost on this debt is expected to total \$12,118 in 2026/27, \$46,076 in 2027/28, and \$55,463 in 2028/29. This new debt, taken out in each test year, is included with interest rates of 6% over 20-year terms.

[49] The utility's calculated return on rate base, using the assumptions and projections in the rate study, is -11.43%, 5.76% and 1.69% in each of the test years, respectively. The return on rate base is calculated based on non-operating expenditures less non-operating and other non-operating revenue. The first two test years' rates of return are lower, in large part because of the transfers from the accumulated surplus to

non-operating revenues and the recognition of the amortization of deferred capital contributions.

3.3.1 Findings

[50] The Board finds the utility's other operating and non-operating revenue to be reasonable, and accepts it as presented in the rate study, including recognizing the transfer from the utility's accumulated surplus of \$130,000 and \$120,000 in each of the first two test years.

[51] The Board notes that carrying a surplus on its books year after year can create intergenerational inequity as much as accumulated deficits can. This inequity is because those who paid rates that the surplus was built from may not receive the benefits of it. The use of the surplus, whether to fund capital improvements or to offset rate increases, reduces the potential for intergenerational inequity to occur.

[52] The Board accepts the recognition of the amortization of contributed capital of \$76,000 and \$50,000 in the first two test periods. The Board is only allowing this recognition due to the cash flow position of the utility. If the utility's cash balance matched its accumulated surplus, the Board may have viewed this recognition differently, given its directive in the Decision of the previous rate application.

[53] The Board accepts the non-operating expenditures as presented in the rate study regarding new debt, and notes that only the actual principal and interest paid will be recognized in the utility's financial statements and for this debt in future rate studies.

[54] The Board is aware that planned capital projects may sometimes be delayed or cancelled, creating an unexpected surplus in a given year. The Board expects

that if this happens, the funds will be held for future capital use and not used for general operating expenses or to postpone rate applications.

[55] The Board directs the utility to deposit any unspent depreciation, capital from operating, transfers to capital/water reserves, and principal and interest expenses that the rate study identified as required during the test years, but that is not expended during those test years, into a capital reserve fund. The utility may apply for a new reserve for this purpose or use its existing capital/water reserve.

[56] The utility is entitled to a reasonable rate of return, and in the context of this application, the Board accepts the calculated rates of return as reasonable.

4.0 REVENUE REQUIREMENT ALLOCATION

4.1 Public Fire Protection

[57] The methodology used in the rate study to determine the public fire protection charge follows the *Handbook* and is the same as the previous rate application, which was approved by the Board. The *Handbook* allocated production assets 90% to general service and 10% to fire protection, with demand assets 40% to general service and 60% to fire protection.

[58] The allocation of utility plant in service to public fire protection is calculated in Worksheet B-5 as 39.7% in 2026/27, 37.8% in 2027/28, and 39.2% in 2028/29. These allocations, along with 10% of all other expenses, are used to calculate the fire protection rates. For the first test year, the utility is asking to keep the current fire protection charge in place to avoid it decreasing, followed by two years of increases. To do this, the utility is proposing to allocate utility plant in service at 55.2% for 2026/27. This approach results

in total costs allocated to fire protection of 26.0%, 23.7% and 28.0% for each of the three test years, respectively.

[59] Based on the above calculations, the total fire protection charge is proposed to remain at \$127,937 in 2026/27, then increase to \$138,852 in 2027/28, and to \$219,967 in 2028/29. The fire protection charge is billed to the Village and the Municipality based on the number of hydrants in each municipal unit as of April 1 of each year.

[60] An infrastructure assessment showed that low-pressure areas had less than the preferred minimum of 3,300 litres per minute fire flow rate. The utility noted that it has a list of piping upgrades required in the system to improve the fire flows. At this time, these upgrades are not part of the capital program for the test period, but will be planned for future work, based on the assessment.

4.1.1 Findings

[61] The Board accepts the methodology used to determine the allocation of costs to general service and public fire protection as set out in the rate study, which is consistent with the *Handbook*. The Board further accepts and approves the methodology used to apportion the total charge between the Village and the Municipality, which is consistent with the methodology used by most other utilities that provide fire protection to other entities.

[62] The Board accepts that the utility has lower pressure than required in some areas of the system at this time, and encourages the utility to address this, as planned, with future capital projects.

4.2 Utility Customers

[63] After the allocation to fire protection, the remainder of the utility's revenue requirement is recovered from its customers. The cost-of-service methodology the utility

used to allocate the revenue requirement to customer, base, delivery, and production charges is consistent with the *Handbook*. The allocations used result in the utility receiving 39% of revenue from base charges in both 2026/27 and 2027/28, dropping to 38% in 2028/29.

[64] The application projects that the number of customers remains the same for all meter sizes, except for 5/8" metered customers, which are expected to increase by three per year over each of the final two test years. The utility currently has 601 customers and is expecting to have 607 at the end of the third test year.

[65] The utility used the projected customer count to calculate the proposed base charges. It assumes an estimated consumption of 109 m³ per year for the residential customer. This is slightly higher than the previous rate study. For this reason, the utility is not projecting a decrease in average consumption over the test period.

[66] For customers with other meter sizes, the utility based its calculation of consumption charges on the actual annual water consumption of those customers, assuming no change in consumption.

4.2.1 Findings

[67] The Board accepts the utility's method of allocating expenses among base, customer, delivery and production charges, as per the *Handbook*. The Board finds the amount of revenue projected to come from base charges to be reasonable.

[68] The Board accepts the projected number of customers over the test period and finds the projected consumption amounts, and changes to the number of 5/8" consumption, to be reasonable, given the utility's recent history.

[69] Based on the information filed, the Board approves the methodology for setting customer rates as presented in the rate study.

5.0 SCHEDULE OF RATES FOR WATER AND WATER SERVICES

[70] In addition to the changes in customer rates and fire protection charges discussed above, the utility is proposing increases to several miscellaneous charges. In response to IR-42, the utility noted that several charges are proposed to increase for sprinkler service and for private hydrants by \$50 for each. The utility did not propose any new rates or charges to its miscellaneous rates and charges.

5.1 Findings

[71] The Board has reviewed the Schedules of Rates for Water and Water Services and finds them to be reasonable. The updated Schedules of Rates for Water and Water Services are approved effective October 1, 2026, April 1, 2027, and April 1, 2028, respectively.

6.0 CASH FLOW

[72] As part of the IRs, the utility filed a Projected Operating Fund Balance Sheet. The Board noted at the hearing that the cash balances for the utility appeared quite low. The utility explained that there were amounts other than for water in the balance sheet. The Board requested an undertaking to update and correct the balance sheet. The undertaking shows that the cash balance declines during the test years and is projected to be \$36,890 at the end of the third test year, which is less than its liabilities. The utility also filed its procedures on collecting outstanding water accounts. The Board appreciates the procedures but remains concerned with the weak cash balances. It encourages the utility to collect on its outstanding receivables in order to strengthen its cash balance. In addition, the Board directs the utility to report no later than April 30, 2027, on its operating

cash balance as of March 31, 2027.

7.0 SCHEDULE OF RULES AND REGULATIONS

[73] The utility's response to IR-43 listed the proposed changes to the Schedule of Rules and Regulations, which are generally administrative in nature. Two of the three amendments have to do with the new radio frequency meters. The other addresses cross-connection control and backflow prevention. The proposed amendments align the utility with other water utilities in the province that have had recent regulations amendments approved.

[74] One of the amendments regarding the meters included a charge of \$50 per meter read for those that opted out of the radio frequency meter. Meters are read quarterly, so the charge could add up to \$200 per year, assuming no estimated bills.

[75] This \$50 charge is consistent with many other utilities that have radio frequency meters, and lower than others.

7.1 Findings

[76] The Board finds that the proposed changes to the Schedule of Rules and Regulations are reasonable and approves the updated Schedule of Rules and Regulations, as filed, as Schedule D in the rate study, effective October 1, 2026.

[77] The Board reminds the utility that it can request approval to update its Schedule of Rules and Regulations or add new items at any time. The utility does not need to wait until a general rate application is filed.

8.0 CONCLUSION

[78] The Board approves the Rates for Water and Water Services, as Schedules A, B and C to the rate study. The schedules will come into effect on October 1, 2026, April 1, 2027, and April 1, 2028, respectively.

[79] The Board approves the Schedule of Rules and Regulations, as Schedule D to the rate study. This schedule is effective on October 1, 2026.

[80] The Board directs the utility to deposit any unspent depreciation, capital from operating, transfers to capital/water reserves, and principal and interest expenses that the rate study identified as required during the test years, but that is not expended during those test years, into a capital reserve fund. The utility may apply for a new reserve for this purpose or use its existing capital/water reserve.

[81] The Board directs the utility to report no later than April 30, 2027, on its operating cash balance as of March 31, 2027.

[82] An Order will be issued accordingly.

DATED at Halifax, Nova Scotia, this 29th day of September 2026.



Bruce H. Fisher