NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

AN ORDER OF THE BOARD

NO. P.U. 23(2026)

IN THE MATTER OF the **Electrical Power Control Act, 1994***,* SNL 1994, Chapter E-5.1 (the "**EPCA**") and the **Public Utilities Act**, RSNL 1990, Chapter P-47 (the "**Act**"), as amended, and regulations thereunder; and

IN THE MATTER OF an application by Newfoundland and Labrador Hydro for approval of an extension to file a report on non-firm rates and an extension to Rate No. 5.1L - Non-Firm Energy.

DECISION SUMMARY

The Board approves an extension for the filing of a report to address the Labrador Interconnected System Non-Firm Rate and the Island Industrial Customer Non-Firm Rate. The Board sets a new filing deadline of June 1, 2028. The Board also approves the extension of Rate No. 5.1L - Non-Firm Energy until further order of the Board.

BACKGROUND

In Order No. P.U. 34(2023), the Board approved non-firm rates for the Labrador Interconnected System and Island Industrial Customers. The Board accepted that it was reasonable to base non-firm rates on the market value of exports as this approach was consistent with Newfoundland and Labrador Hydro's ("Hydro") existing non-firm rates for Labrador Industrial customers and with regulatory practice in other Canadian jurisdictions. The Board was satisfied that the non-firm rates should be approved at the time but that more information would be required before the appropriate long-term approach could be determined. The Board directed Hydro to file an application and a report addressing the Labrador Interconnected System Non-Firm Rate and the Island Industrial Customer Non-Firm Rate by June 1, 2026.

APPLICATION

On June 1, 2026 Hydro filed an application requesting approval to extend the deadline for filing the report on the Labrador Interconnected System Non-Firm Rate and the Island Industrial

Customer Non-Firm Rate by one year, to June 1, 2027. Hydro also requested that the Labrador Interconnected System Rate No. 5.1L - Non-Firm Energy remain in place until September 1, 2027.

The application was copied to: Newfoundland Power Inc. ("Newfoundland Power"); the Consumer Advocate, Ms. Adrienne Ding; the Island Industrial Customer Group; the Labrador Interconnected Group; Iron Ore Company of Canada; Blockchain Labrador Corp ("BlockLAB") and Battle Harbour Data Solutions Inc.[1]

On June 19, 2026 BlockLAB filed comments requesting that the Board either: (i) deny Hydro's request to extend the existing non-firm rate and direct that the rate revert to the rate structure that was in effect prior to Order No. P.U. 34(2023); or (ii) if the Board grants Hydro's requested extension, direct Hydro to use the extension period to test and evaluate alternative pricing methodologies for inclusion in Hydro's report on its review of the rate. Newfoundland Power and the Island Industrial Customer Group advised that they had no comments, and no comments were received from the other parties copied on the application.

On June 25, 2026 Hydro filed a reply and requested that the application be approved as submitted.

SUBMISSIONS

BlockLAB submitted that the non-firm rate for the Labrador Interconnected System was effectively approved on a provisional basis in Order No. P.U. 34(2023), subject to Hydro proving and validating its assumptions in a new application and report. BlockLAB submitted that Hydro has failed to meet this obligation and that the proper and equitable remedy is for the Board to order the current non-firm rates revert to the rates that were in effect prior to the implementation of the non-firm rate.

BlockLAB also submitted that if the extension request is granted, the extension period should be used to test and evaluate alternative pricing methodologies more closely tied to actual export market conditions and that Hydro should be required to explain and justify any changes in the market data source used to calculate the non-firm rate, and quantify the impact on customers.

Hydro submitted that the extension request is aligned with the Board's original findings and direction. Hydro noted that the Board's decision identified certain areas where further evidence was needed to support a long-term non-firm rate design, and Hydro's extension request is intended to provide sufficient time and opportunity to gather the evidence required through operational experience and data.[2] Hydro further submitted that BlockLAB's proposal to revert to a firm service rate structure in effect prior to Order No. P.U. 34(2023), or provide non-firm power

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[1] The members of the Island Industrial Customer Group are Corner Brook Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) GP Inc., and Vale Newfoundland and Labrador Limited. The members of the Labrador Interconnected Group are the communities of Sheshatshiu, Happy Valley-Goose Bay, Wabush, and Labrador City.

[2] In Order No. P.U. 34(2023), the Board requested further evidence in areas such as pricing frequency, minimum price design, the appropriate level and structure of administrative charges, and the potential use of demand charges or cost adders.

at the existing Industrial rate, is neither feasible or appropriate in the circumstances. Hydro indicated that because firm service to cryptocurrency customers is not permitted on the Labrador Interconnected System, discontinuance of the non-firm rate would require a cessation of the provision of electrical service to BlockLAB. With respect to the source of market data, Hydro confirmed that there has been no change since the implementation of the non-firm rate.

BOARD FINDINGS

The Board notes that BlockLAB is the only customer utilizing the non-firm rate on the Labrador Interconnected System and that a second non-firm customer has recently received approval to interconnect and is expected to receive service by 2027. The Board believes that the additional experience gained in administering the non-firm rate with multiple customers would be beneficial in assessing if changes are required in the non-firm rate design.

The Board is satisfied that a request to extend the filing deadline is reasonable in the circumstances. The Board finds that Hydro's proposed extension timeframe of one year, to June 1, 2027, would be insufficient to allow for suitable operational experience in serving multiple customers on the non-firm rate. The Board sets a new deadline of June 1, 2028 for Hydro to file an application and a report.

With respect to BlockLAB's submission that any extension period granted should be used to test and evaluate alternative pricing methodologies more closely tied to actual export market conditions, the Board notes that Order No. P.U. 34(2023) includes direction for Hydro's review to include more study and analysis on whether the non-firm rates should be updated more frequently.

In relation to the proposed extension to Rate No. 5.1L - Non-Firm Energy, the Board notes that BlockLAB requested that the extension be denied and that the rate structure revert to that in effect prior to Board Order No. P.U. 34(2023). The Board does not accept that a delay in Hydro filing the requested information provides a sound basis for discontinuing the use of the approved rate. The Board notes that there was no equivalent non-firm rate applicable to the Labrador Interconnected System prior to approval. BlockLAB alternatively suggested that non-firm power could be provided at the existing Industrial rate. The Board notes that a non-firm rate was established because existing firm rates did not appropriately reflect the nature and costs of providing non-firm service. The Board does not find BlockLAB's proposal to be reasonable in the circumstances and is satisfied that it is reasonable that BlockLAB continue to be provided service on Rate No. 5.1L - Non-Firm Energy. The Board will approve the continuation of Rate No. 5.1L - Non-Firm Energy until further order by the Board.

BOARD DECISION

IT IS THEREFORE ORDERED THAT:

1. Hydro will file a report addressing the Labrador Interconnected System Non-Firm Rate and the Island Industrial Customer Non-Firm Rate by June 1, 2028.

2. Rate No. 5.1L - Non-Firm Energy, is approved until further order of the Board.

3. Hydro shall pay all expenses of the Board relating to this Application.

DATED at St. John's, Newfoundland and Labrador, this 15th day of July, 2026.

Kevin Fagan
Chair and Chief Executive Officer

John O'Brien, FCPA, FCA, CISA
Commissioner

Mike McNiven
Board Secretary