

Office of the Consumer Advocate

June 3, 2026

The Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL
A1A 5B2 Canada

Attention: Mike McNiven, Board Secretary

Dear Mr. McNiven:

Re: Newfoundland and Labrador Hydro - Application for Approval of the Island Industrial Customer Rate Adjustments Effective July 1, 2026

On May 26, 2026 Newfoundland and Labrador Hydro (“Hydro”) submitted to the Public Utilities Board (the “Board”) an Application for Approval of the Island Industrial Customer Rate Adjustments Effective July 1, 2026. On May 29, 2026 the Board established a schedule for the Application requesting the parties to submit comments by June 3, 2026. This document conveys the comments of the Consumer Advocate.

As noted in the Application (Clauses 6 and 15):

In OC 2024-062 in May 2024, Hydro’s Board of Directors were directed to “structure any application for utility rate increases such that retail rate increases to domestic rate class customers attributable to Newfoundland and Labrador Hydro shall be targeted at 2.25 per cent per year (the “Hydro Target Increase”)” for each rate application filed with the Board relating to the period up to and including the year 2030. The Government of Newfoundland and Labrador (“Government”) further directed that rate increases be structured “for other customers subject to Island Interconnected rates in a manner that is compatible with the Hydro Target Rate Increase...

Hydro’s present application seeks approval of an updated Project Cost Recovery Rider of 1.987 cents per kWh, effective July 1, 2026. This proposal would increase customer billings by 3.0%, thereby allowing Hydro to collect Muskrat Falls Project related costs in a manner consistent with the rate mitigation plan as directed by OC2024-062. The 3.0% increase is consistent with Hydro’s proposed increase to the wholesale rate for Hydro’s Utility customer effective July 1, 2026. Schedule 2 to this Application provides the calculation for the projected billings increase.

In the Application, Hydro proposes adjustments to the Island Industrial Customer Rates including the CDM Cost Recovery Adjustment and the Project Cost Recovery Rider to achieve the desired 3.0% rate increase effective July 1, 2026.

As the proposed rate increase appears to be consistent with government rate mitigation initiatives and Hydro's proposed July 1, 2026 Utility Rate Adjustment submitted to the Board on April 24, 2026, the Consumer Advocate does not object to the Application.

Please contact the undersigned if you have any questions relating to this submission.



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