

From: Shirley Walsh <ShirleyWalsh@nlh.nl.ca>

Sent: Friday, July 31, 2026 11:21 AM

To: Mike McNiven <mmcniven@pub.nl.ca>

Cc: Colleen Jones <cjones@pub.nl.ca>; NLH Regulatory <NLHRegulatory@nlh.nl.ca>; 'Dominic Foley (dfoley@newfoundlandpower.com)' <dfoley@newfoundlandpower.com>; 'dwright@newfoundlandpower.com' <dwright@newfoundlandpower.com>; NP Regulatory Contact <regulatory@newfoundlandpower.com>; Adrienne Ding <ading@odeaeearle.ca>; Justin King <jking@odeaeearle.ca>; consumeradvocate@odeaeearle.ca; 'Paul Coxworthy (pcoxworthy@stewartmckelvey.com)' <pcoxworthy@stewartmckelvey.com>; Fleming, Denis (dfleming@coxandpalmer.com) <dfleming@coxandpalmer.com>; 'Glen Seaborn (gseaborn@poolealthouse.ca)' <gseaborn@poolealthouse.ca>; Nick Kennedy <nkennedy@oktlaw.com>; gmoores@stewartmckelvey.com; Darren.Hennessey@teck.com; Jacqui Glynn <jglynn@pub.nl.ca>; Ryan Oake <roake@pub.nl.ca>; Public Utilities Board <board@pub.nl.ca>

Subject: Re: NLH - 2027 Capital Budget Application - Hydro's Claim for Confidential Treatment of Information

Good Morning,

Newfoundland and Labrador Hydro ("Hydro") filed its 2027 Capital Budget Application ("Application") on July 14, 2026. As part of that Application, in Schedule 2, Hydro filed its Five-Year Capital Plan (2027–2031) providing an overview of Hydro's investment strategy and associated planned capital work for the period 2027–2031, including its Major Projects Capital Plan for the period. Hydro filed similar information regarding the Bay d'Espoir Hydroelectric Generating Facility in Schedule 4. Hydro noted that certain information in those schedules is considered to be commercially sensitive information and was redacted.

In correspondence dated July 29, 2026, the Board of Commissioners of Public Utilities ("Board") advised Hydro that "The Board has reviewed the redactions and does not accept that they meet the threshold for confidential treatment. The Board notes that certain information redacted by Hydro has been previously disclosed in other proceedings and does not accept that is reasonable to treat information that has already been made public as confidential. Hydro also redacted several high-level totals and sub-totals of budgetary costs. The Board notes that it has previously refused claims of confidentiality on sub-totals and totals associated with groups of projects because, in general, this information cannot be demonstrated to be commercially sensitive." The Board advised that they believed that the public interest in disclosure of the redacted information outweighs Hydro's generalized concerns as to the release of the information and directed Hydro to provide unredacted versions to the parties by August 3, 2026, at which time the Board would publish that unredacted information.

The information that is redacted in Schedule 2 and 4 of the Application is mostly the yearly estimated expenditure for the five year period ending 2031 for certain projects that have either been approved by the Board, are before the Board at this time, or that will be proposed in

upcoming supplemental applications. There are two instances where the redacted information is a sub-total or total of a table that includes the yearly estimated expenditure and the subtotal or total is redacted because there is only one major project forecast expenditure redacted in that column, and the release of the subtotal or total would allow for the redacted and commercially sensitive information to be calculated.

The specific projects are:

- Section Replacement and Weld Refurbishment Penstock 3 – Bay d’Espoir
- Section Replacement and Weld Refurbishment Penstock 2 – Bay d’Espoir
- Unit 7 Life Extension – Bay d’Espoir
- Installation of Bay d’Espoir Unit 8
- Avalon Combustion Turbine
- Major Combustion Turbine Overhaul (2027 -2029) – Holyrood
- Refurbish Structure (2027 – 2031) – Salmon River Spillway

The latter two projects have not yet been proposed for approval by the Board. They were also referenced in Hydro’s 2026 Capital Budget Application, and their forecast expenditures were not redacted. However, those forecasts were based on a less defined class 5 budget. The forecast numbers included in Hydro’s Application are based on a more refined budget, prepared to support the upcoming supplemental applications and are not the same numbers that were released in the previous capital budget application.

The redacted information has not previously been made public, to the best of Hydro’s determination after reviewing the previous filings related to those projects. The total forecast expenditures for the projects have previously been released and have not been redacted by Hydro in the Application. As noted above, a subtotal of a column, and the total of another column, was redacted not because those totals were commercially sensitive, but because the release of that figure would have allowed the discovery of the one number in that column that had been redacted for commercial sensitivity.

The release of the annual forecast expenditure for these projects would provide information that proponents and contractors could use to extrapolate the budgeted value of work for specific construction work packages, when combined with general information about the schedule of work for those projects.

Hydro’s concern is that when a proponent or contractor gains access to specific information about a utility’s requirements, it can enhance their ability to command higher prices, limit competitive pressure, and ultimately drive an increase in costs for the utility and its customers. The cumulative impact is that information, gathered over a number of filings, can create a competitive advantage for some suppliers, potentially influencing future bidding strategies or negotiations. This may result in higher prices or restrictive contract terms, both of which lead to avoidable and unnecessary costs for customers.

Hydro's requests for confidentiality are intended to mitigate this risk, to ensure full and fair competition. Given that Hydro's customer rates are based on the utility's cost of service, maintaining confidentiality in these matters directly supports the best interests of its customers.

Hydro requests that the redacted information in the Application remain redacted, and that the Board not proceed with posting the unredacted version to its website. Hydro will provide an unredacted version of the Application to any party or Intervenor who signs a Non-Disclosure Agreement, as has been the practice in other filings.

Regards,

Shirley Walsh BComm, LLB, CIC.C (she/her)

Senior Legal Counsel - Regulatory

Legal Department

T: N/A | M: (709) 685-4973

ShirleyWalsh@nlh.nl.ca | www.nlhydro.com

