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2026-08-10

Newfoundland Power Inc.

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Newfoundland and Labrador Hydro

Shirley Walsh

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Consumer Advocate

Adrienne Ding

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Dear Madams/Sir:

Re: Newfoundland Power Inc. - 2027 Capital Budget Application - Response to Consumer Advocate's Request for Technical Conference

The Board is in receipt of the Consumer Advocate's letter of August 3, 2026, requesting a technical conference on Newfoundland Power's 2027 Capital Budget Application (the "Application"). The Board provided additional issues for a technical conference on August 4, 2026. The Board has reviewed the requests and the reply submission of Newfoundland Power filed August 7, 2026.

The Board has previously communicated the criteria for a technical conference stating:

As set out in the Capital Budget Guidelines, a technical conference is to be used in concert with the request for information (RFI) process to gain a full understanding of the scope and nature of the proposed projects. When used in this way a technical conference can be a very effective process to assist in the review of proposed projects as it allows for a direct exchange of information between the utility and the parties and for follow-up questions, if required. A technical conference can be particularly useful in the case of a capital project which involves complex technical issues which require further exploration and in the case of large capital projects where there are multiple issues and significant expenditures.¹

Having reviewed the record and considered the submissions, the Board is not satisfied that all the issues proposed in the Consumer Advocate's request meet the requirements for a technical conference.

Newfoundland Power stated that it has begun preparations to address the issues raised by the Board in relation to Power Transformer Replacement, also raised by the Consumer Advocate, and

¹Correspondence dated October 9, 2020, Newfoundland Power's 2021 Capital Budget Application and correspondence dated September 26, 2024, Newfoundland Power's 2024 Capital Budget Application.

Distribution Reliability Initiative.² Newfoundland Power also stated that it was reasonable to address Issue 2 raised by the Consumer Advocate in relation to the Portable Substation. The Board accepts Newfoundland Power's position on these issues.

The Board will accept the inclusion of Issue 7 raised by the Consumer Advocate in relation to the assumptions and methods to calculate levelized value per kWh and cost of replacement production per kWh for the proposed Lookout Brook Bridge Replacement and LBK-T1 Power Transformer Replacement. The Board notes that marginal capacity cost and marginal energy cost assumptions can be complex and need to be clearly understood given the potential impacts on capital project selections.

The Board does not believe that the following issues are appropriate for a technical conference:

- Issue 3 (Customer-Connection Forecast) was the subject of inquiry in Newfoundland Power's 2025/2026 General Rate Application and Newfoundland Power subsequently filed an expert report.
- Issue 4 (Risk Qualification and Record-Keeping) has been the subject of several requests for information ("RFIs") in capital budget applications. Newfoundland Power has stated that it does not have the data or software necessary to provide calculations of risk mitigation or reliability improvement and that it has no further information to provide.
- Information relating to Issue 5 (Budget Performance and Estimate Accuracy) is provided through the annual capital expenditure reports. Any issue with the information provided in the capital expenditure reports can be explored through the RFI process.
- Issue 6 (Replacement of Street Lighting Program) relating to the use of historical average to determine the program was reviewed in the 2025 Capital Budget Application. Newfoundland Power has stated the program is related to correction of deficiencies not related to street light fixtures.
- Issue 8 (Hydroelectric Plants) relates to the future role of Newfoundland Power's hydro plants given the addition of supply from the Muskrat Falls Project and consideration of a fleet-level assessment. Newfoundland Power has stated that the role and value of its hydro plants have been reviewed in prior regulatory proceedings and has been recognized by the Board. The Board sees no benefit of including this matter in the technical conference given Newfoundland and Labrador Hydro's projections of both capacity and energy shortfalls and the ongoing review of proposed generating plant additions. The Board also notes that additional hydro plant capital investments in the Application are evaluated giving consideration of both customer benefits and costs associated with these investments.

The schedule for the Application includes the opportunity to ask additional RFIs on the Technical Conference or previous RFI responses filed, if necessary. The Board is satisfied that this will allow the parties to place sufficient information on the record of this proceeding to gain a full understanding of the issues.

² Newfoundland Power noted that the replacement of the LBK-T1 transformer will form part of the Power Transformer Replacement topic.

The Board will write the parties to provide an updated schedule of dates.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacquie Glynn, by email, jglynn@pub.nl.ca or by telephone 709-726-6781.

Sincerely,



Mike McNiven
Board Secretary

MM/ml

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