

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

AN ORDER OF THE BOARD

NO. P.U. 11(2026)

1 **IN THE MATTER OF the Electrical Power**
2 **Control Act, 1994, SNL 1994**, Chapter E-5.1
3 (the “**EPCA**”) and the **Public Utilities Act**,
4 RSNL 1990, Chapter P-47 (the “**Act**”), as
5 amended, and regulations thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for approval
9 of capital expenditures for early execution work
10 related to the section replacement and weld
11 refurbishment of Penstock 3 at the Bay d’Espoir
12 Hydroelectric Generating Facility, pursuant to
13 section 41 of the **Act**.
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15

16 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing
17 under the **Hydro Corporation Act**, 2024, is a public utility within the meaning of the **Act**, and is
18 also subject to the provisions of the **EPCA**; and
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20 **WHEREAS** on March 13, 2026 Hydro applied to the Board for approval of capital expenditures in
21 the amount of \$77,462,128 for section replacement and weld refurbishment of Penstock 3 at the
22 Bay d’Espoir Hydroelectric Generating Facility (the “Application”); and
23

24 **WHEREAS** the Application requests approval, prior to April 20, 2026, of capital expenditures in
25 the amount of \$1,942,814 for raw steel procurement and line relocation (“Early Execution”); and
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27 **WHEREAS** the Application states that proceeding with the proposed Early Execution work in
28 advance of approval of the Application will allow Hydro to maintain the overall project schedule
29 and budget and mitigate risks to the system and to project costs; and
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31 **WHEREAS** Hydro is not requesting recovery of any expenditures related to the proposed Early
32 Execution work prior to approval of the Application; and

1 **WHEREAS** the Application was copied to Newfoundland Power Inc. (“Newfoundland Power”), the
2 Consumer Advocate, Ms. Adrienne Ding (the “Consumer Advocate”), and the Island Industrial
3 Customer Group;¹ and
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5 **WHEREAS** the Consumer Advocate and Newfoundland Power advised on April 1, 2026 and April
6 2, 2026 respectively, that they acknowledged the importance of the Bay d’Espoir plant to the
7 Island Interconnected System and supported approval of Early Execution subject to the condition
8 that costs will be recovered from customers only if Hydro receives approval of the overall project;
9 and
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11 **WHEREAS** on April 7, 2026 Hydro confirmed that it is not requesting recovery of the Early
12 Execution expenditures prior to the review and approval of the Application and asked that the
13 Board approve the proposed Early Execution expenditures; and
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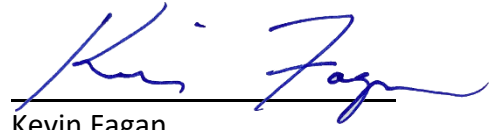
15 **WHEREAS** the Board is satisfied that the expenditures for the Early Execution work for the section
16 replacement and weld refurbishment for Penstock 3 at the Bay d’Espoir Hydroelectric Generating
17 Facility, in the amount of \$1,942,814, should be approved on the basis that these expenditures
18 are reasonable and necessary in the circumstances and will not be recovered from customers if
19 the Application is not approved.
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22 **IT IS THEREFORE ORDERED THAT:**
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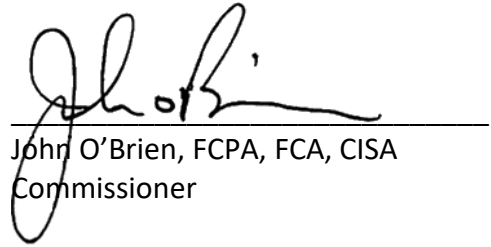
- 24 1. Capital expenditures, in the amount of \$1,942,814, for the proposed Early Execution work for
25 Penstock 3 at the Bay d’Espoir Hydroelectric Generating Facility are approved.
26
- 27 2. Hydro shall provide a report on the Early Execution work for Penstock 3 at the Bay d’Espoir
28 Hydroelectric Generating Facility by October 31, 2026.
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- 30 3. Hydro shall pay all expenses of the Board arising from this Application.

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.

DATED at St. John's, Newfoundland and Labrador, this 9th day of April 2026.



Kevin Fagan
Chair and Chief Executive Officer



John O'Brien, FCPA, FCA, CISA
Commissioner



Christopher Pike, LL.B., FCIP
Commissioner



Mike McNiven
Board Secretary