

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

**AN ORDER OF THE BOARD**

**NO. P.U. 4(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**, RSNL  
4 1990, Chapter P-47 (the “**Act**”), as amended,  
5 and regulations thereunder; and  
6

7 **IN THE MATTER OF** an application by  
8 Newfoundland and Labrador Hydro for  
9 approval of capital expenditures for  
10 Distribution System Upgrades for English  
11 Harbour West; and  
12

13 **IN THE MATTER OF** an application by  
14 Newfoundland and Labrador Hydro for  
15 approval of a Contribution in Aid of  
16 Construction.  
17

18  
19 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing  
20 under the **Hydro Corporation Act, 2024**, is a public utility within the meaning of the **Act**, and is  
21 also subject to the provisions of the **EPCA**; and  
22

23 **WHEREAS** pursuant to section 41 of the **Act** and **Public Utilities Regulations**, NLR 40/23, a public  
24 utility shall not proceed with the construction, purchase or lease of improvements or additions  
25 to its property where the cost of construction or purchase is in excess of \$750,000 without prior  
26 approval of the Board; and  
27

28 **WHEREAS** section 41(5) of the **Act** states a public utility that intends to demand from its  
29 customers a contribution towards the cost of improvements or additions to its property shall not  
30 demand the contribution without the prior approval of the Board; and  
31

32 **WHEREAS** in Order No. P.U. 28(2024) the Board approved Hydro’s 2025 Capital Budget in the  
33 amount of \$135,712,800, which included approval of the Upgrade Worst Performing Distribution  
34 Feeders Program to improve reliability of the English Harbour West (“EHW”) Distribution System;  
35 and

1 **WHEREAS** the Board approved supplementary 2025 capital expenditures in:  
2 (i) Order No. P.U. 9(2025) in the amount of \$1,278,000 for the acquisition and  
3 installation of upgrades to the diesel station and distribution system in Ramea;  
4 (ii) Order No. P.U. 11(2025) in the amount of \$1,714,500 for the replacement of the  
5 learning management software and reporting tools;  
6 (iii) Order No. P.U. 17(2025) in the amounts of \$30,710,000 and \$16,670,000 for the  
7 proposed early execution work for the Avalon Combustion Turbine Project and  
8 the Bay d’Espoir Unit 8 Project, respectively; and  
9 (iv) Order No. P.U. 29(2025) amending the amount of \$891,900 approved in Order No.  
10 P.U. 28(2024) to \$\$1,747,003 to Perform a Level 2 Condition Assessment – Stage  
11 1 and 2 Cooling Water Structures (2025) – Holyrood; and  
12

13 **WHEREAS** on December 5, 2025 Hydro filed an application (the “Application”) with the Board  
14 requesting approval of:

15 (i) a capital expenditure in the amount of \$3,250,700 for upgrades to an existing  
16 distribution line on the EHW Distribution System and construction of a new  
17 segment of three-phase line; and  
18 (ii) a Contribution in Aid of Construction (“CIAC”) in the amount of \$1,786,976.44,  
19 excluding HST; and  
20

21 **WHEREAS** in April 2024 Hydro received a service request from Pennecon Industrial Ltd  
22 (“Pennecon”) for a new industrial facility at the Belleoram Quarry to be served by the EHW  
23 Distribution System; and  
24

25 **WHEREAS** Hydro proposed to align the upgrade work for EHW Distribution System with the new  
26 service request from Pennecon to allow for execution efficiencies and timely interconnection of  
27 the customer; and  
28

29 **WHEREAS** the proposed work related to the service request includes installation of 477 ASC  
30 overhead conductor to a 23-kilometre section of three-phase distribution feeder, as well as  
31 construction of a 5.5-kilometre three-phase line extension to the new service location at a total  
32 cost of \$3,250,700; and  
33

34 **WHEREAS** Hydro had also determined that an upgrade to the conductor for the EHW Distribution  
35 System was required to the Upgrade Worst Performing Feeders Program to eliminate low-voltage  
36 issues and temporary overvoltage issues<sup>1</sup>; and  
37

38 **WHEREAS** pursuant to the CIAC Policy: Distribution Line Extensions and Upgrades to General  
39 Service Customers approved by Order No. P.U. 27(2005) (the “Policy”), the costs of providing the  
40 requested service, less company investment, must be recovered from the Customer; and

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<sup>1</sup> PUB-NLH-005.

1 **WHEREAS** the CIAC, calculated in accordance with the detailed cost estimate specified in Clause  
2 5(e) of the Policy, is one million seven hundred eighty-six thousand nine hundred seventy-six  
3 dollars and forty-four cents (\$1,786,976.44), excluding HST; and  
4

5 **WHEREAS** Clause 10(ii) of the Policy states all line extensions or upgrades involving CIACs where  
6 the costs are calculated pursuant to Clause 5(e) require approval of the Board; and  
7

8 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);  
9 the Consumer Advocate, Dennis Browne, KC; a group of Island Industrial customers: Corner Brook  
10 Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) GP Inc., and Vale Newfoundland  
11 and Labrador Limited; and the communities of Sheshatshiu, Happy Valley-Goose Bay, Wabush,  
12 and Labrador City; and  
13

14 **WHEREAS** the Board and Newfoundland Power issued requests for information (“RFIs”) on  
15 December 17, 2025 and the Board issued additional RFIs on January 27, 2026 which were  
16 answered by Hydro on January 14, 2026 and February 6, 2026, respectively; and  
17

18 **WHEREAS** no comments were received from parties; and  
19

20 **WHEREAS** on February 13, 2026 Hydro filed a reply stating that aligning the CIAC work with the  
21 previously approved program avoids unnecessary duplication and ensures Pennecon is only  
22 charged for the incremental upgrades specifically to serve their load and requested the Board  
23 approve the Application; and  
24

25 **WHEREAS** the Board is satisfied that the proposed 2025 supplemental capital expenditures to  
26 reconductor a section of the three-phase distribution feeder with 477 ASC overhead conductor  
27 and a 5.5-kilometre three-phase line extension to the new service location are necessary for the  
28 provision of safe and reliable electricity supply; and  
29

30 **WHEREAS** the Board is satisfied that the CIAC relates only to the incremental upgrades and three-  
31 phase line extension required to specifically serve Penncon’s load, that the CIAC does not include  
32 any costs associated with the upgrade work for EHW Distribution System and that the CIAC is  
33 calculated in accordance with the approved CIAC Policy.

1 **IT IS THEREFORE ORDERED THAT:**

2

3 1. The Board approves the proposed capital expenditures in the amount of \$3,250,700 for the  
4 upgrades to the existing distribution line on the English Harbour West Distribution System  
5 and construction of a new segment of three-phase line to provide additional service at the  
6 Belleoram Quarry.

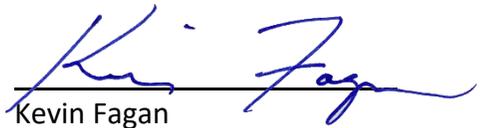
7

8 2. The Board approves the Contribution in Aid of Construction of one million seven hundred  
9 eighty-six thousand nine hundred seventy-six dollars and forty-four cents (\$1,786,976.44),  
10 excluding HST for the service requested by Pennecon Industrial Ltd.

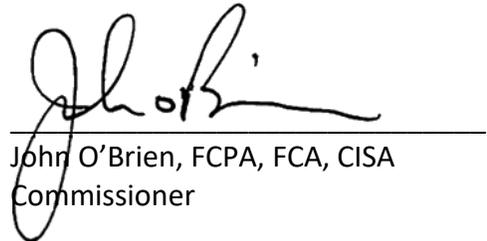
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12 3. Hydro shall pay all expenses of the Board arising from this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 25<sup>th</sup> day of February, 2026.



Kevin Fagan  
Chair and Chief Executive Officer



John O'Brien, FCPA, FCA, CISA  
Commissioner



Colleen Jones  
Assistant Board Secretary