

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

**AN ORDER OF THE BOARD**

**NO. P.U. 8(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  
9 approval of capital expenditures for the  
10 purchase and installation of a runner at the  
11 Cat Arm Hydroelectric Generating Station,  
12 pursuant to section 41 of the **Act**.  
13  
14

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

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

24 **WHEREAS** in Order No. P.U. 2(2026), the Board approved Hydro’s 2026 Capital Budget in the  
25 amount of \$130,343,100; and  
26

27 **WHEREAS** on February 13, 2026, Hydro filed an application requesting approval of a  
28 supplementary capital expenditure in the amount of \$4,836,900 (\$582,200 in 2026, \$1,634,600  
29 in 2027 and \$2,620,000 in 2028)<sup>1</sup> for the purchase and installation of a new Pelton runner on Unit  
30 2 at Cat Arm Hydroelectric Generation Station (“Cat Arm”) (the “Application”); and  
31

32 **WHEREAS** Hydro had previously applied for the purchase and installation of a new Pelton runner  
33 at Cat Arm Unit 2 which the Board did not approve stating that it accepted the need to replace

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<sup>1</sup> The proposed expenditures per year do not add to the total amount requested due to rounding.

1 the runners, however, the purchase of a new replacement runner for Unit 2 was premature  
2 without an assessment of the possible refurbishment and use of the Unit 1 runner<sup>2</sup>; and

3  
4 **WHEREAS** the Application stated that the Unit 1 runner has now been replaced and that Litostroj  
5 Hydro Inc. (“Litostroj”), the consultant supporting the runner replacement, performed a detailed  
6 assessment of the Unit 1 runner to consider its viability as a refurbished replacement for Unit 2;  
7 and

8  
9 **WHEREAS** the Application stated that Litostroj concluded that the runner could be reused if  
10 proper repairs were performed but that the repairs should only be considered a temporary  
11 solution and that significant excavation and repair work would be required to refurbish the  
12 runner, which would not return the runner to “like new” condition, and future replacement would  
13 still be required at an earlier time frame than installing a new runner; and

14  
15 **WHEREAS** the Application stated Litostroj’s recommendation, confirmed by Hydro’s cost benefit  
16 analysis, is that the procurement and installation of a new hydraulically revised runner is the  
17 option that would result in power being delivered to customers at the lowest possible cost, in an  
18 environmentally responsible manner, consistent with reliable service; and

19  
20 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);  
21 the Consumer Advocate, Ms. Adrienne Ding; the Island Industrial Customer Group<sup>3</sup>; and the  
22 Labrador Interconnected Group<sup>4</sup>; and

23  
24 **WHEREAS** on March 4, 2026 Newfoundland Power advised that it supported the Application,  
25 stating that it recognized the importance of maintaining reliable on-Island generation assets to  
26 support system adequacy and supply reliability, including the Cat Arm facility, and acknowledging  
27 that additional information which addressed the matters identified by the Board in Order No. P.U.  
28 16(2025) was provided; and

29  
30 **WHEREAS** no other comments were received; and

31  
32 **WHEREAS** on March 6, 2026 Hydro submitted that the Board had previously accepted the need  
33 to replace the Pelton runners and that an external consultant had determined that the purchase  
34 and installation of a new runner would be the least cost approach; and

35  
36 **WHEREAS** Hydro requested the Application be approved as submitted; and

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<sup>2</sup> Order No. P.U. 16(2025).

<sup>3</sup> 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.

<sup>4</sup> The members of the Labrador Interconnected Group are the communities of Sheshatshiu, Happy Valley-Goose Bay, Wabush, and Labrador City.

1 **WHEREAS** the Board is satisfied that the proposed supplemental capital expenditure for the  
2 purchase and installation of a new Pelton runner on Unit 2 at Cat Arm will allow Hydro to continue  
3 to provide service that is safe and adequate, and just and reasonable.  
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5  
6 **IT IS THEREFORE ORDERED THAT:**  
7

- 8 1. The proposed capital expenditure in the amount of \$4,836,900 (\$582,200 in 2026, \$1,634,600  
9 in 2027 and \$2,620,000 in 2028) for the purchase and installation of a new Pelton runner on  
10 Unit 2 at the Cat Arm Hydroelectric Generation Station is approved.  
11  
12 2. Newfoundland and Labrador Hydro shall pay all expenses of the Board arising from this  
13 Application.

**DATED** at St. John's, Newfoundland and Labrador, this 17<sup>th</sup> day of March 2026.

  
Kevin Fagan  
Chair and Chief Executive Officer

  
John O'Brien, FCPA, FCA, CISA  
Commissioner

  
Christopher Pike, LL.B., FCIP  
Commissioner

  
Colleen Jones  
Assistant Board Secretary