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April 1, 2026

Board of Commissioners of Public Utilities  
Prince Charles Building  
120 Torbay Road, P.O. Box 21040  
St. John's, NL A1A 5B2

Attention: Mike McNiven  
Board Secretary

**Re: Newfoundland and Labrador Hydro – 2025 Capital Budget Supplemental Application – Application for the Purchase and Installation of Bay d’Espoir Unit 8 and Avalon Combustion Turbine**

Newfoundland and Labrador Hydro’s (“Hydro”) correspondence dated March 9, 2026 provided the Board of Commissioners of Public Utilities (“Board”) with updated cost estimates for the Avalon Combustion Turbine (“CT”) project, including revised contingency and management reserve informed by a refreshed Monte Carlo analysis. Hydro now writes to outline its intended approach to reflect the updated CT cost in the ongoing application for the purchase and installation of Bay d’Espoir Unit 8 and Avalon CT.<sup>1</sup>

As the refreshed Monte Carlo analysis has resulted in an increase to the overall requested authorized budget for the CT project, for which Hydro will require authorization from the Board, Hydro intends to address the revised request through amendment to the legal application and a supplemental evidentiary filing, without amending the evidence currently on the record.

Hydro’s supplemental evidentiary filing will provide further detail on the Monte Carlo analysis, as well as the results of updated analytical scenario and sensitivity modelling. To the extent that any existing evidence requires updating solely as a result of the increased CT cost, those updates will be addressed within the supplemental filing.

The updated analytical work required to support the revised cost is underway; Hydro expects to file the supplemental report with the Board by April 10, 2026.

Should you have any questions, please contact the undersigned.

Yours truly,

**NEWFOUNDLAND AND LABRADOR HYDRO**

A handwritten signature in blue ink, appearing to read "Shirley A. Walsh", written over a horizontal line.

Shirley A. Walsh  
Senior Legal Counsel, Regulatory  
SAW/kd

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<sup>1</sup> “2025 Build Application – Bay d’Espoir Unit 8 and Avalon Combustion Turbine,” Newfoundland and Labrador Hydro, March 21, 2025.

ecc:

**Board of Commissioners of Public Utilities**

Jacqui H. Glynn  
Ryan Oake  
Board General

**Island Industrial Customer Group**

Paul L. Coxworthy, Stewart McKelvey  
Denis J. Fleming, Cox & Palmer  
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