Q. Further to the response to PUB-NLH-006, absent rate mitigation beyond 2030, will costs related to the 2026 Capital Budget Application be recovered from customers commencing in 2031?

A. Newfoundland and Labrador Hydro ("Hydro") expects to begin recovery of the 2026 capital projects[1] which are completed and in service at the conclusion of its next general rate application ("GRA"), which is anticipated to be filed in the first quarter of 2026.

After the next GRA, the costs relating to the 2026 capital budget will be included in Hydro's test year revenue requirement. Rates charged to customers will reflect the total revenue requirement less rate mitigation required to meet the target rate in 2027, reflecting 2.25% increases annually. It is anticipated that rate mitigation will not exceed the total of project costs, and rates will allow for the recovery of the additional capital costs in addition to the recovery of a portion of project costs.

[1] The capital forecast included in the GRA is based on the 2025 Capital Budget Application.