

May 15, 2026

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

Attention: Mike McNiven  
Board Secretary

Dear Mr. McNiven:

**Re: Newfoundland and Labrador Hydro (“Hydro”) – Application for Recovery of Costs Associated with Information Systems Assets (the “Application”) – Comments of Newfoundland Power Inc. (“Newfoundland Power” or the “Company”)**

In the Application, Hydro proposes recovery of the actual and forecast costs in its Business System Transformation Program Deferral Account of \$7.8 million as at December 31, 2026, with the amortization of those costs through customer rates to be determined in its next general rate application (“GRA”).

While not quantified by Hydro, it is presumed that there would be a negative impact to Hydro’s 2026 forecast regulated earnings if the proposed cost recovery was not approved as Hydro has actually incurred, or is forecast to incur, these costs. Newfoundland Power also recognizes that the Board of Commissioners of Public Utilities (the “Board”) has approved other Hydro proposals associated with deferred cost recovery outside of a GRA in recent years.<sup>1</sup> Each of these applications were filed by Hydro pursuant to section 80 of the *Public Utilities Act* (the “Act”).<sup>2</sup> Hydro has provided that section 80 of the *Act* is relevant for the Board in its consideration of the Application.<sup>3</sup>

While the Company does not have substantive comments regarding justification of the individual projects outlined by Hydro in the Application, Newfoundland Power generally agrees with Hydro that technology modernization, upgrades and maintenance supports a utility’s ability to provide least cost reliable service through (i) meeting customer and business requirements, (ii) continual improvement of operational processes over time, and (iii) avoiding costs such as those related to cybersecurity events.<sup>4</sup>

For these reasons, the Company does not object to Hydro’s Application.

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<sup>1</sup> Order Nos. P.U. 32 (2025), P.U. 10 (2025) and P.U. 1 (2026).

<sup>2</sup> Ibid.

<sup>3</sup> NP-NLH-001.

<sup>4</sup> PUB-NLH-001, page 7, lines 10-18.

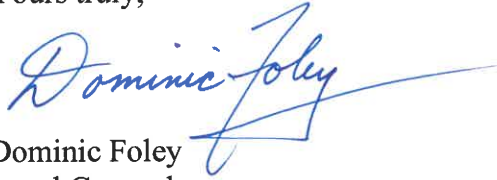
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Yours truly,



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