

May 22, 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 Application for July 1, 2026 Utility Rate Adjustments – Newfoundland Power Inc. Comments

On April 24, 2026, Newfoundland and Labrador Hydro (“Hydro”) filed an application to revise the wholesale rate it charges to Newfoundland Power Inc. (“Newfoundland Power” or the “Company”), effective July 1, 2026 (the “Application”). Hydro’s application results in an overall average rate increase of 2.3% for Newfoundland Power’s customers, which includes a 2.25% rate increase for residential customers consistent with Order in Council OC2024-062.

Hydro’s application also proposes the disposal of the balance owing to Newfoundland Power in Hydro’s Rural Rate Alteration (“RRA”) account at February 28, 2026 of \$45.0 million. The RRA account credit is to be applied to the Company’s Rate Stabilization Account to limit the customer rate impacts effective July 1, 2026 to those resulting from Hydro’s application.

Newfoundland Power fully supports the use of the RRA account to limit the overall average customer rate increase on July 1, 2026 to 2.3%. The approach is consistent with the direction provided by the Government of Newfoundland and Labrador to Hydro on April 22, 2026 and the intended purpose of the RRA account; accordingly, it is in the best interest of customers.

The Company also observes that the RRA will accumulate further credits, at a minimum, to the end of 2026.¹ In Newfoundland Power’s view, any additional credits accumulated in Hydro’s RRA account up to December 31, 2026 should be incorporated into the July 1, 2027 rate adjustment process in the same manner as 2026.

¹ The RRA captures increased billings to Hydro’s rural customers between its general rate applications (“GRA”). In its correspondence to the Board, *Re. Quarterly Update – Items Impacting the Delay of Hydro’s Next General Rate Application*, dated March 31, 2026, Hydro provided that its next GRA will include a 2027 test year.

Newfoundland Power Inc.

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Yours truly,



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