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May 15, 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 – Application for Extension to Filing Date for Methodology for Wholesale Rate Annual Updates – Hydro's Reply**

On April 28, 2026, Newfoundland and Labrador Hydro ("Hydro") filed an application with the Board of Commissioners of Public Utilities ("Board") requesting approval of extension of the deadline to file a proposed methodology for updating the wholesale rate ("Application").

As Hydro noted in the Application, Hydro has filed its July 1, 2026 Utility Rate Adjustments application proposing to maintain the existing marginal cost rate currently reflected in the wholesale rate. Hydro is also preparing to file its General Rate Application ("GRA"), in which Hydro will propose an update to the rate design for the Island Industrial Customers ("IIC") to reflect Hydro's marginal cost of energy and an update to the Utility Wholesale Rate, including an updated seasonal second block energy rate. Granting the extension will therefore not embed unreviewed outcomes and will not give rise to regulatory prejudice or customer harm.

Hydro's position is that an application later in 2026 that proposes a methodology for updating the wholesale rate in future annual updates, will allow Hydro to develop a framework that is applicable to both the Utility Wholesale Rate charged to Newfoundland Power Inc. ("Newfoundland Power") and the proposed updated rate structure for the IIC, including the marginal rate component.

Both Newfoundland Power and the Consumer Advocate filed comments with respect to this Application. Neither objected to Hydro's request. Both parties acknowledge that the information filed within the GRA would provide appropriate context for review of wholesale rate methodology and that the requested extension is reasonable in the circumstances.

Hydro does not agree with the suggestion that the review of the methodology for updating the wholesale rate should be conducted within the upcoming GRA proceeding; however, extending the deadline to file and review the proposed methodology to November 2026 would allow for the review and consideration of information provided in the GRA that could assist in a review of the proposed methodology.

There were no comments forthcoming from any of the other parties to this Application. Hydro submits that it is reasonable and appropriate for the Board to approve an extension of time for Hydro to file its methodology for annual updates to the wholesale rate to November 2026.

Mike McNiven  
Board of Commissioners of Public Utilities

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Should you have any questions, please contact the undersigned.

Yours truly,

**NEWFOUNDLAND AND LABRADOR HYDRO**



Shirley A. Walsh  
Senior Legal Counsel, Regulatory  
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Encl.

ecc:

**Routine Filings**

**Board of Commissioners of Public Utilities**

Jacqui H. Glynn  
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Board General

**Consumer Advocate**

Adrienne H.Y. Ding, O'Dea Earle  
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**Newfoundland Power Inc.**

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**Island Industrial Customer Group**

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