

October 2, 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  
Senior Regulatory Advisor & Board Secretary

**Re: 2027 Capital Budget Application – Request for Technical Conference**

Newfoundland and Labrador Hydro (“Hydro”) filed its 2027 Capital Budget Application (“Application”) on July 14, 2027. The schedule for review of the Application, set by the Board of Commissioners of Public Utilities (“Board”), listed September 29, 2026, as the deadline for a Request for Technical Conference to be filed. The Consumer Advocate filed a request for a technical conference; no request was received from any other Intervenor to the proceeding.

The Consumer Advocate’s request identified a number of areas for discussion at the technical conference, with many of the identified questions having a reference to Hydro’s responses to Requests for Information (“RFI”) filed earlier in this proceeding.

The purpose of a technical conference is described in the Capital Budget Application Guidelines (Provisional) (“Guidelines”) issued by the Board, and effective as of January 2022. A technical conference is not a mandatory step in a proceeding but may occur in circumstances when the Board determines that it would assist in providing a full understanding of the scope and nature of a specific capital budget expenditure or a significant issue associated with the capital budget application. The technical conference is normally limited to specific matters, as defined by the Board.

The Board has considered the purpose and scope of technical conferences in a number of proceedings both before and since the implementation of the Guidelines. For example, during Newfoundland Power Inc.’s (“Newfoundland Power”) 2021 Capital Budget Application (“CBA”) process. In that proceeding, the Consumer Advocate requested a technical conference on certain issues. The Board noted that a technical conference is intended to be used along with the RFI process to gain a full understanding of proposed projects. The Board stated that “A technical conference can be particularly useful in the case of a capital project which involves complex technical issues which require further exploration and in the case of large capital projects where there are multiple issues and significant expenditures.”<sup>1</sup>

The Board reiterated this finding in Newfoundland Power’s 2025 CBA process, in response to a request for technical conference from the Consumer Advocate. The Board found, in that proceeding, that certain issues were outside the scope of the CBA, and others had been the subject of a number of RFIs and could continue to be explored through written process. The Board noted that the scheduled second

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<sup>1</sup> “Newfoundland Power Inc. – 2021 Capital Budget Application – Consumer Advocate’s Request for Technical Conference and Public Hearing”, Board of Commissioners of Public Utilities, October 9, 2020.

round of RFIs would allow the parties to gain a full understanding of the issues without the need for a technical conference.

Most recently, in response to the Consumer Advocate's request for a technical conference in Newfoundland Power's 2027 CBA, the Board reiterated its position from Newfoundland Power's 2021 and 2025 CBAs. The Board found that many of the issues proposed by the Consumer Advocate in the request were either addressed in a previous proceeding, in RFIs earlier in the 2027 CBA, or could be explored through the continued RFI process in the proceeding. The Board found that those issues were not appropriate for a technical conference.

The past decisions of the Board, and application of the Guidelines, support the principle that a technical conference should be limited to specific projects with complex technical issues, or large capital projects with multiple issues and significant expenditures. Other issues relevant to the proceeding can be canvassed through the additional RFI stage already scheduled.

### **Hydro's Reply**

The Consumer Advocate listed seven areas for exploration at the proposed technical conference. As Hydro noted above, many of the issues and questions included a reference to an RFI that had been previously asked and responded to in this proceeding. With the exception of item five, and perhaps items three and six, the issues do not pertain to specific projects. The identification in items three and six of specific projects do not pose questions regarding a complex technical issue; the questions are considered to be related to Hydro's overall strategy and policy in making capital and operational decisions, and not the specifics of the project themselves. The project specific question in item five is not a complex technical question.

Hydro's response to the listed issues is as follows:

1. Capital planning, prioritization and deferrals:

The answers to the questions posed are, for the most part, contained within the RFIs noted in the question. Where the answers are not fully provided, they can be addressed in the upcoming RFI process.

2. Cumulative financial consequences and affordability:

The issues identified here are broad analysis questions that do not pertain to a specific project, or even specifically to the projects and programs proposed in the Application proceeding. They arguably are more appropriate for a general rate application than the CBA. The questions reference Hydro's five-year capital plan; where the previous RFI responses have not provided clarity to the Consumer Advocate, the relevant matters can be explored through additional RFIs.

3. Combined financial consequences of continued operation of Holyrood:

As with the issues above, the answers to the questions posed are, for the most part, contained within the RFIs noted in the question or have been addressed or will be more appropriately addressed in other proceedings. For example, the question regarding "what changes in costs, operating assumptions or other circumstances would prompt Hydro to revisit its planned Holyrood investments or reassess the overall Bridging Period strategy." Is one which has been and would be considered within Hydro's Reliability and Resource Adequacy proceeding.

4. Assessment and verification of expected capital benefits:

The answers to the questions posed are, for the most part, contained within the RFIs noted in the question. For example, the Consumer Advocate's question "Where operating savings, avoided costs or productivity improvements form part of a project's justification, how does Hydro subsequently assess whether those benefits have materialized" was answered in Hydro's response to CA-NLH-042, cited in the Consumer Advocate's question. Any further detail that that Consumer Advocate would require can be obtained through the upcoming RFI process.

5. Stephenville gas turbine:

The Consumer Advocate asked for an explanation regarding the option of continuing to patch the enclosure as an alternative to an overhaul. Hydro's response to CA-NLH-060 states "The condition of the Stephenville Gas Turbine main enclosure has progressed beyond isolated deficiencies, and continued localized repairs cannot reliably mitigate the risk of ongoing deterioration. Failure to restore the enclosure would increase the likelihood of equipment impacts and a forced outage of a generating asset required to support system reliability". Hydro does not believe that there is any complex technical issue related to this project. Any additional clarification the Consumer Advocate requires can be addressed in a subsequent RFI.

6. Selection process:

Hydro has provided significant information addressing its asset management and capital prioritization processes in its evidence and in its responses to RFIs, including CA-NLH-002, CA-NLH-005, and CA-NLH-021. Hydro believes that any additional clarity can be provided in further RFIs if necessary. Hydro also submits that providing an example of the information already provided using two specific projects is not a matter that would give rise to a technical conference.

7. Capital budget execution:

This issue as listed by the Consumer Advocate is broad and generally relates to Hydro's overall execution of its capital program, rather than the scope and nature of a specific project. The matters identified, where they have not already been addressed in Hydro's evidence and where they are relevant to the proposals within Hydro's Application, are matters that can be addressed through additional RFIs.

Hydro notes that sub-item a) iv. asks about possible delay or deferral of projects, and what reporting allows the Board and parties to assess progress and risks. The Application reflects the consideration of the timing and deferral of capital work in developing the capital program, while Hydro's existing capital expenditure reporting provides the Board and parties with information regarding actual and forecast expenditures, variances, carryovers and changes in project cash flows. A technical conference is not required to provide an understanding of these matters.

To the extent there is a particular project, constraint or aspect of the capital program that the Consumer Advocate considers to constitute a significant issue requiring further technical explanation, Hydro would be in a better position to address that specifically. However, Hydro does not consider a broad examination of the execution risks associated with the combined

capital program to require a technical conference in order to facilitate a full understanding of the Application.

## Conclusion

For the reasons noted above, and pursuant to the decisions of the Board in previous matters as well as the Guidelines, Hydro believes that the issues noted by the Consumer Advocate do not require a technical conference to be explored and addressed by Hydro. Those issues, where relevant to the projects and programs proposed in the Application, can be adequately explained and expanded upon in the RFI process scheduled in this proceeding. A technical conference would not be an efficient method for addressing those issues.

Should you have any questions, please contact the undersigned.

Yours truly,

## NEWFOUNDLAND AND LABRADOR HYDRO



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