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We'll be there.

NEWFOUNDLAND POWER
A FORTIS COMPANY

March 27, 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: 2025 Capital Expenditure Report

Enclosed please find Newfoundland Power Inc.'s 2025 Capital Expenditure Report (the "Report"). The Report is presented in compliance with enumerated paragraph 5 of Order No. P.U. 27 (2024)[1] of the Newfoundland and Labrador Board of Commissioners of Public Utilities (the "Board") and pursuant to section 41 of the *Public Utilities Act*.

The Report provides information on capital expenditures approved in Order Nos. P.U. 27 (2024), P.U. 2 (2024), and P.U. 38 (2022), including actual expenditures to December 31, 2025, and variances between actual and budgeted expenditures by project.

Variances of more than 10% of approved expenditures and $100,000 or greater are explained in the notes contained in Appendix A to the Report. A discussion of approved capital expenditures in 2025 which were modified, re-prioritized, deferred, re-paced or cancelled is provided in Appendix B. Summaries of Key Performance Indicators in 2025 are provided in Appendix C. A summary report detailing the use of the Allowance for Unforeseen Items is provided in Appendix D.

If you have any questions on the enclosed materials, please contact the undersigned at your convenience.

Yours truly,

Dominic Foley

Dominic Foley
Legal Counsel

Enclosure

ec. Shirley Walsh
Newfoundland & Labrador Hydro

Adrienne Ding
O'Dea Earle Law Offices

[1] See Order No. P.U. 27 (2024), page 4.

Newfoundland Power Inc.
55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6
PHONE (709) 737-5500, ext. 6200 • **FAX** (709) 737-2974 • **dfoley@newfoundlandpower.com**

2025 Capital Expenditure Report

March 27, 2026

Newfoundland Power Inc.

2025 Capital Expenditure Report

Explanatory Note

This report is filed in compliance with Order No. P.U. 27 (2024) of the Newfoundland and Labrador Board of Commissioners of Public Utilities (the "Board"), and pursuant to section 41 of the *Public Utilities Act*.

Pages one and two of the *2025 Capital Expenditure Report* provide an overview of the 2025 capital expenditures and outline variances from budget of the capital expenditures approved by the Board in Order Nos. P.U. 27 (2024), P.U. 2 (2024), and P.U. 38 (2022). The tables on pages three through 14 provide additional detail on capital expenditures in 2025 and include information on capital projects approved for prior years that were not completed prior to 2025. Page 14 provides additional detail on multi-year projects.

Consistent with the variance criteria outlined in the *Capital Budget Application Guidelines (Provisional)* (the "Provisional Guidelines"), variances of more than 10% of approved expenditure and $100,000 or greater are explained in Appendix A.

For multi-year capital projects, total expenditures to date are reported, compared to total approved budget to date. Variances for multi-year capital projects will be reported in the capital expenditure report in the year following project completion.

Consistent with section V.C of the Provisional Guidelines, a discussion of approved capital expenditures in 2025 which were modified, re-prioritized, deferred, re-paced or cancelled is provided in Appendix B.

Consistent with section V.C of the Provisional Guidelines, summaries of Key Performance Indicators in 2025 are provided in Appendix C.

Consistent with section V.C. of the Provisional Guidelines, a summary report of the use of the Allowance for Unforeseen Items is provided in Appendix D.

2025 Capital Expenditures Overview

Newfoundland Power's actual 2025 capital expenditures were $135.7 million, resulting in a total variance of $7.7 million, or 6%, from the 2025 capital budget amount of $128.0 million. Of the total variance, $7.6 million, or 98.7%, relates to the distribution class with the remaining relating to all other asset classes.

This variance reflects the cumulative impact of multiple projects and programs; however, the primary contributor to the variance in both the distribution class and in the overall total is increased customer connections compared to budget estimates.

Additional detail on individual variances of more than 10% of approved expenditure and $100,000 or greater are explained in Appendix A.

Newfoundland Power Inc. 2025 Capital Budget Variances ($000s)			
	Approved[1]	Actual	Variance
Generation - Hydro	7,267	7,154[2]	(113)
Generation - Thermal	318	298	(20)
Substations	15,952	14,201[3]	(1,751)
Transmission	18,064	19,178[4]	1,114
Distribution	59,464	67,033[5]	7,569
General Property	4,010	3,871[6]	(139)
Transportation	5,042	6,399[7]	1,357
Telecommunications	994	1,119	125
Information Systems	11,009	11,215[8]	206
Unforeseen Allowance	750	579	(171)
General Expenses Capitalized	5,081	4,631	(450)
Total	**127,951**	**135,678**	**7,727**
Projects carried forward from prior years		14,852	

1 Approved in Order Nos. P.U. 27 (2024), P.U. 2 (2024), and P.U. 38 (2022).

2 Includes forecast expenditure of $789,000 for *Mobile Hydro Plant Penstock Refurbishment* and $3,248,000 for *Mount Carmel Pond Dam Refurbishment* carried forward into 2026.

3 Includes forecast expenditure of $400,000 for *Northwest Brook Substation Refurbishment and Modernization* and $192,000 for *Lockston Substation Refurbishment and Modernization* carried forward into 2026.

4 Includes forecast expenditure of $1,536,000 for *New Transmission Line from Lewisporte to Boyd's Cove* and $3,310,000 for *Transmission Line 94L Rebuild* carried forward into 2026.

5 Includes forecast expenditure of $845,000 for *Distribution Feeder Automation* and $646,000 for *Distribution Feeders SCT-01 and BLK-01 Relocation* carried forward into 2026.

6 Includes forecast expenditure of $169,000 for *Building Accessibility Improvements* and $184,000 for *Port Union Building Replacement* carried forward into 2026.

7 Includes forecast expenditure of $3,013,000 for *Replace Vehicles and Aerial Devices 2024-2025* carried forward into 2026.

8 Includes forecast expenditure of $294,000 for *Asset Management Technology Replacement* and $400,000 for *Outage Management System Upgrade* carried forward into 2026.

2025 Capital Expenditure Report
(000s)

	Capital Budget			Actual Expenditure				
	2022 - 2024	2025	Total	2022 - 2024	2025	Carryover	Total	Variance
	A	B	C	D	E	F	G	H
2025 Projects and Programs	$ -	$ 127,951	$ 127,951	$ -	$ 120,652	$ 15,026	135,678	$ 7,727
2022-2024 Projects and Programs	62,266	-	62,266	50,363	13,552	1,300	65,215	2,949
Grand Total	**$ 62,266**	**$ 127,951**	**$ 190,217**	**$ 50,363**	**$ 134,204**	**$ 16,326**	**$ 200,893**	**$ 10,676**

Column A	Approved Capital Budget for 2022, 2023 and 2024
Column B	Approved Capital Budget for 2025
Column C	Total of Columns A and B
Column D	Actual Capital Expenditure for 2022, 2023 and 2024
Column E	Actual Capital Expenditure for 2025
Column F	Capital Projects Carried Forward to 2026
Column G	Total of Columns D, E and F
Column H	Column G less Column C

2025 Capital Expenditure Report
(000s)

Category: Generation - Hydro

	Capital Budget			Actual Expenditure					
	2024	2025	Total	2024	2025	Carryover	Total	Variance	Notes*
	A	B	C	D	E	F	G	H	
2025 Projects and Programs									
Mobile Hydro Plant Penstock Refurbishment	$ -	$ 825	$ 825	$ -	$ 36	$ 789	$ 825	$ -	
Hydro Plant Replacements Due to In-Service Failures	-	731	731	-	769	-	769	38	
La Manche Canal Bridge Replacement	-	530	530	-	528	-	528	(2)	
	$ -	$ 2,086	$ 2,086	$ -	$ 1,333	$ 789	$ 2,122	$ 36	
2024 Projects and Programs									
Mobile Hydro Plant Surge Tank Refurbishment	$ 977	-	$ 977	$ 499	$ 281	$ 197	$ 977	$ -	
Hydro Facility Rehabilitation	794	-	794	596	170	-	766	(28)	
	$ 1,771	$ -	$ 1,771	$ 1,095	$ 451	$ 197	$ 1,743	$ (28)	

* See Appendix A for notes containing variance explanations.

Column A	Approved Capital Budget for 2024
Column B	Approved Capital Budget for 2025
Column C	Total of Columns A and B
Column D	Actual Capital Expenditure for 2024
Column E	Actual Capital Expenditure for 2025
Column F	Capital Projects Carried Forward to 2026
Column G	Total of Columns D, E and F
Column H	Column G less Column C

2025 Capital Expenditure Report
(000s)

Category: Generation - Thermal

	Capital Budget			Actual Expenditure					
	2024	2025	Total	2024	2025	Carryover	Total	Variance	Notes*
	A	B	C	D	E	F	G	H	
2025 Projects and Programs									
Thermal Plant Replacements Due to In-Service Failures	$ -	$ 318	$ 318	$ -	$ 298	$ -	$ 298	$ (20)	
	$ -	$ 318	$ 318	$ -	$ 298	$ -	$ 298	$ (20)	

* See Appendix A for notes containing variance explanations.

Column A	Approved Capital Budget for 2024
Column B	Approved Capital Budget for 2025
Column C	Total of Columns A and B
Column D	Actual Capital Expenditure for 2024
Column E	Actual Capital Expenditure for 2025
Column F	Capital Projects Carried Forward to 2026
Column G	Total of Columns D, E and F
Column H	Column G less Column C

2025 Capital Expenditure Report
(000s)

Category: Substations

	Capital Budget			Actual Expenditure					
	2023 - 2024	2025	Total	2023 - 2024	2025	Carryover	Total	Variance	Notes*
	A	B	C	D	E	F	G	H	
2025 Projects and Programs									
Substation Replacements Due to In-Service Failures	$ -	$ 4,927	$ 4,927	$ -	$ 3,914	$ -	$ 3,914	$ (1,013)	1
Northwest Brook Substation Refurbishment and Modernization	-	4,175	4,175	-	3,609	400	4,009	(166)	
Substation Protection and Control Replacements	-	685	685	-	686	-	686	1	
Substation Ground Grid Upgrades	-	609	609	-	449	-	449	(160)	2
	$ -	$ 10,396	$ 10,396	$ -	$ 8,658	$ 400	$ 9,058	$ (1,338)	
2023 and 2024 Projects and Programs									
Gambo Substation Refurbishment and Modernization	$ 5,267	-	$ 5,267	$ 5,021	$ 413	$ -	$ 5,434	$ 167	
Memorial Substation Refurbishment and Modernization	4,351	-	4,351	3,318	1,053	-	4,371	20	
Old Perlican Substation Refurbishment and Modernization	3,356	-	3,356	3,149	265	-	3,414	58	
Substation Spare Transformer Inventory (2023)	1,500	-	1,500	145	1,523	-	1,668	168	3
	$ 14,474	$ -	$ 14,474	$ 11,633	$ 3,254	$ -	$ 14,887	$ 413	

* See Appendix A for notes containing variance explanations.

Column A	Approved Capital Budget for 2023 and 2024
Column B	Approved Capital Budget for 2025
Column C	Total of Columns A and B
Column D	Actual Capital Expenditure for 2023 and 2024
Column E	Actual Capital Expenditure for 2025
Column F	Capital Projects Carried Forward to 2026
Column G	Total of Columns D, E and F
Column H	Column G less Column C

2025 Capital Expenditure Report
(000s)

Category: Transmission

	Capital Budget			Actual Expenditure					
	2024	2025	Total	2024	2025	Carryover	Total	Variance	Notes*
	A	B	C	D	E	F	G	H	
2025 Projects and Programs									
Transmission Line Maintenance	$ -	$ 2,884	$ 2,884	$ -	$ 3,754	$ -	$ 3,754	$ 870	4
Wood Pole Retreatment	-	600	600	-	255	-	255	(345)	5
	$ -	$ 3,484	$ 3,484	$ -	$ 4,009	$ -	$ 4,009	$ 525	
2024 Projects and Programs									
Transmission Line 24L Relocation	701	-	701	10	568	122	700	(1)	
	$ 701	$ -	$ 701	$ 10	$ 568	$ 122	$ 700	$ (1)	

* See Appendix A for notes containing variance explanations.

Column A	Approved Capital Budget for 2024
Column B	Approved Capital Budget for 2025
Column C	Total of Columns A and B
Column D	Actual Capital Expenditure for 2024
Column E	Actual Capital Expenditure for 2025
Column F	Capital Projects Carried Forward to 2026
Column G	Total of Columns D, E and F
Column H	Column G less Column C

2025 Capital Expenditure Report
(000s)

Category: Distribution

	Capital Budget			Actual Expenditure					
	2024	2025	Total	2024	2025	Carryover	Total	Variance	Notes*
	A	B	C	D	E	F	G	H	
2025 Projects and Programs									
LED Street Lighting Replacement	$ -	$ 5,654	$ 5,654	$ -	$ 5,572	$ -	$ 5,572	$ (82)	
Feeder Additions for Load Growth	-	960	960	-	1,023	-	1,023	63	
Distribution Feeder Automation	-	1,125	1,125	-	280	845	1,125	-	
Distribution Feeder PEP-02 Refurbishment	-	667	667	-	624	-	624	(43)	
Distribution Feeder SMV-01 Refurbishment	-	654	654	-	572	-	572	(82)	
Allowance for Funds Used During Construction	-	220	220	-	243	-	243	23	
Extensions	-	13,402	13,402	-	18,558	-	18,558	5,156	6
Reconstruction	-	7,425	7,425	-	8,488	-	8,488	1,063	7
Rebuild Distribution Lines	-	5,115	5,115	-	5,270	-	5,270	155	
Relocate/Replace Distribution Lines for Third Parties	-	3,528	3,528	-	3,814	-	3,814	286	
Replacement Transformers	-	6,340	6,340	-	6,530	-	6,530	190	
New Transformers	-	5,623	5,623	-	5,788	-	5,788	165	
New Services	-	3,208	3,208	-	4,308	-	4,308	1,100	8
New Street Lighting	-	2,460	2,460	-	1,856	-	1,856	(604)	9
Replacement Street Lighting	-	884	884	-	847	-	847	(37)	
Replacement Meters	-	648	648	-	580	-	580	(68)	
Replacement Services	-	445	445	-	448	-	448	3	
New Meters	-	457	457	-	738	-	738	281	10
	$ -	$ 58,815	$ 58,815	$ -	$ 65,539	$ 845	$ 66,384	$ 7,569	
2024 Projects and Programs									
Feeder Additions for Load Growth	$ 2,811	$ -	$ 2,811	$ 1,648	$ 1,424	$ -	$ 3,072	$ 261	
Distribution Feeder BIG-02 Relocation	196	-	196	3	37	156	196	-	
	$ 3,007	$ -	$ 3,007	$ 1,651	$ 1,461	$ 156	$ 3,268	$ 261	

* See Appendix A for notes containing variance explanations.

Column A	Approved Capital Budget for 2024
Column B	Approved Capital Budget for 2025
Column C	Total of Columns A and B
Column D	Actual Capital Expenditure for 2024
Column E	Actual Capital Expenditure for 2025
Column F	Capital Projects Carried Forward to 2026
Column G	Total of Columns D, E and F
Column H	Column G less Column C

2025 Capital Expenditure Report
(000s)

Category: General Property

	Capital Budget			Actual Expenditure					
	2024	2025	Total	2024	2025	Carryover	Total	Variance	Notes*
	A	B	C	D	E	F	G	H	
2025 Projects and Programs									
Additions to Real Property	$ -	$ 682	$ 682	$ -	$ 625	$ -	$ 625	$ (57)	
Building Accessibility Improvements	-	650	650	-	481	169	650	-	
Specialized Tools and Equipment	-	595	595	-	430	-	430	(165)	11
Tools and Equipment	-	589	589	-	631	-	631	42	
Physical Security Upgrades	-	456	456	-	515	-	515	59	
	$ -	$ 2,972	$ 2,972	$ -	$ 2,682	$ 169	$ 2,851	$ (121)	

* See Appendix A for notes containing variance explanations.

Column A	Approved Capital Budget for 2024
Column B	Approved Capital Budget for 2025
Column C	Total of Columns A and B
Column D	Actual Capital Expenditure for 2024
Column E	Actual Capital Expenditure for 2025
Column F	Capital Projects Carried Forward to 2026
Column G	Total of Columns D, E and F
Column H	Column G less Column C

2025 Capital Expenditure Report
(000s)

Category: Telecommunications

	Capital Budget			Actual Expenditure					
	2024	2025	Total	2024	2025	Carryover	Total	Variance	Notes*
	A	B	C	D	E	F	G	H	
2025 Projects and Programs									
VHF Radio System Replacement	$ -	$ 870	$ 870	$ -	$ 964	$ -	$ 964	$ 94	
Communications Equipment Upgrade	-	124	124	-	155	-	155	31	
	$ -	$ 994	$ 994	$ -	$ 1,119	$ -	$ 1,119	$ 125	

* See Appendix A for notes containing variance explanations.

Column A	Approved Capital Budget for 2024
Column B	Approved Capital Budget for 2025
Column C	Total of Columns A and B
Column D	Actual Capital Expenditure for 2024
Column E	Actual Capital Expenditure for 2025
Column F	Capital Projects Carried Forward to 2026
Column G	Total of Columns D, E and F
Column H	Column G less Column C

2025 Capital Expenditure Report
(000s)

Category: Information Systems

	Capital Budget			Actual Expenditure					
	2024	2025	Total	2024	2025	Carryover	Total	Variance	Notes*
	A	B	C	D	E	F	G	H	
2025 Projects and Programs									
Application Enhancements	$ -	$ 914	$ 914	$ -	$ 915	$ -	$ 915	$ 1	
Shared Server Infrastructure	-	970	970	-	912	-	912	(58)	
System Upgrades	-	1,408	1,408	-	1,437	-	1,437	29	
Cybersecurity Upgrades	-	940	940	-	1,022	-	1,022	82	
Network Infrastructure	-	470	470	-	569	-	569	99	
Personal Computer Infrastructure	-	720	720	-	766	-	766	46	
	$ -	$ 5,422	$ 5,422	$ -	$ 5,621	$ -	$ 5,621	$ 199	
2024 Projects and Programs									
Application Enhancements	$ 1,892	$ -	$ 1,892	$ 1,680	$ 262	$ -	$ 1,942	$ 50	
Shared Server Infrastructure	964	-	964	860	203	-	1,063	99	
	$ 2,856	$ -	$ 2,856	$ 2,540	$ 465	$ -	$ 3,005	$ 149	

* See Appendix A for notes containing variance explanations.

Column A	Approved Capital Budget for 2024
Column B	Approved Capital Budget for 2025
Column C	Total of Columns A and B
Column D	Actual Capital Expenditure for 2024
Column E	Actual Capital Expenditure for 2025
Column F	Capital Projects Carried Forward to 2026
Column G	Total of Columns D, E and F
Column H	Column G less Column C

2025 Capital Expenditure Report
(000s)

Category: Unforeseen Allowance

	Capital Budget		Actual Expenditure				
	2025	Total	2025	Carryover	Total	Variance	Notes*
	A	B	C	D	E	F	
2025 Projects and Programs							
Allowance for Unforeseen Items	$ 750	$ 750	$ 579	$ -	$ 579	$ (171)	12
	$ 750	$ 750	$ 579	$ -	$ 579	$ (171)	

* See Appendix A for notes containing variance explanations.

Column A	Approved Capital Budget for 2025
Column B	Total of Column A
Column C	Actual Capital Expenditure for 2025
Column D	Capital Projects Carried Forward to 2026
Column E	Total of Columns C and D
Column F	Column E less Column B

2025 Capital Expenditure Report
(000s)

Category: General Expenses Capitalized

	Capital Budget		Actual Expenditure				
	2025	Total	2025	Carryover	Total	Variance	Notes*
	A	B	C	D	E	F	
2025 Projects and Programs							
General Expenses Capitalized	$ 5,081	$ 5,081	$ 4,631	$ -	$ 4,631	$ (450)	
	$ 5,081	$ 5,081	$ 4,631	$ -	$ 4,631	$ (450)	

* See Appendix A for notes containing variance explanations.

Column A	Approved Capital Budget for 2025
Column B	Total of Column A
Column C	Actual Capital Expenditure for 2025
Column D	Capital Projects Carried Forward to 2026
Column E	Total of Columns C and D
Column F	Column E less Column B

2025 Capital Expenditure Report
Multi-Year Projects
(000s)

Category: Multi-Year Projects

	Capital Budget			Actual Expenditure					
	2022 - 2024	2025	Total	2022 - 2024	2025	Carryover	Total	Variance	Notes*
	A	B	C	D	E	F	H	I	
Distribution									
Distribution Feeders SCT-01 and BLK-01 Relocation	$ -	$ 649	$ 649	$ -	$ 3	$ 646	$ 649	$ -	
Distribution Reliability Initiative (SUM-01)	1,671	-	1,671	1,360	321	-	1,681	10	
Substations									
Islington Substation Refurbishment and Modernization	308	4,706	5,014	900	4,144	-	5,044	30	
Summerville Substation Refurbishment and Modernization	-	511	511	-	668	-	668	157	
Lockston Substation Refurbishment and Modernization	-	305	305	-	113	192	305	-	
Gander Substation Power Transformer Replacement	-	17	17	-	18	-	18	1	
Pulpit Rock Substation Power Transformer Replacement	-	17	17	-	8	-	8	(9)	
Transmission									
Transmission Line 55L Rebuild	10,612	-	10,612	12,158	874	-	13,032	2,420	13
New Transmission Line from Lewisporte to Boyd's Cove	-	1,886	1,886	-	350	1,536	1,886	-	
Transmission Line 146L Rebuild	2,152	9,209	11,361	1,401	10,550	-	11,951	590	
Transmission Line 94L Rebuild	13,095	3,485	16,580	9,779	1,346	3,585	14,710	(1,870)	
Generation - Hydro									
Lookout Brook Hydro Plant Refurbishment	362	1,573	1,935	508	1,424	-	1,932	(3)	
Mount Carmel Pond Dam Refurbishment	-	3,608	3,608	-	360	3,248	3,608	-	
Mobile Hydro Plant Refurbishment	4,146	-	4,146	3,963	2,585	-	6,548	2,402	14
Information Systems									
Microsoft Enterprise Agreement	297	297	594	316	304	-	620	26	
Asset Management Technology Replacement	-	3,479	3,479	-	3,185	294	3,479	-	
Outage Management System Upgrade	-	1,811	1,811	-	1,411	400	1,811	-	
General Property									
Gander Building Renovation	175	760	935	140	777	-	917	(18)	
Port Union Building Replacement	-	278	278	-	94	184	278	-	
Transportation									
Replace Vehicles and Aerial Devices 2025-2026	-	2,173	2,173	-	2,590	-	2,590	417	
Replace Vehicles and Aerial Devices 2024-2025	1,940	2,869	4,809	772	937	3,013	4,722	(87)	
Replace Vehicles and Aerial Devices 2023-2024	4,699	-	4,699	2,137	1,474	550	4,161	(538)	15
	$ 39,457	$ 37,633	$ 77,090	$ 33,434	$ 33,536	$ 13,648	$ 80,618	$ 3,528	

* See Appendix A for notes containing variance explanations.

Column A	Approved Capital Budget for 2022, 2023 and 2024
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Column C	Total of Columns A and B
Column D	Actual Capital Expenditure for 2022, 2023 and 2024
Column E	Actual Capital Expenditure for 2025
Column F	Capital Projects Carried Forward to 2026
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Column H	Column G less Column C

APPENDIX A:

Variance Notes

Substations

1. *Substation Replacements Due to In-Service Failures:*
Budget: $4,927,000 Actual: $3,914,000 Variance: ($1,013,000)

The actual expenditure for the *Substation Replacements Due to In-Service Failures* program was $1,013,000, or 21%, lower than the budget estimate.

The *Substation Replacements Due to In-Service Failures* program budget estimate is determined based on the five-year historical average. The decrease is primarily due to lower material costs to address work encountered in 2025.

2. *Substation Ground Grid Upgrades*
Budget: $609,000 Actual: $449,000 Variance: ($160,000)

The actual expenditure for the *Substation Ground Grid Upgrades* project was $160,000, or 26%, lower than the budget estimate.

This decrease is largely due to lower than anticipated contractor pricing compared to the budget estimate.

3. *Substation Spare Transformer Inventory (2023 Project):*
Budget: $1,500,000 Actual: $1,668,000 Variance: $168,000

The actual expenditure for the *Substation Spare Transformer Inventory* project was $168,000, or 11%, higher than the budget estimate, primarily due to higher-than-expected purchase costs for the transformer.

The original budget estimate for this project was prepared early in 2022 based on pricing quotes provided by the supplier at that time. The project was proposed in the *2023 Capital Budget Application*, and procurement commenced following project approval in Order No. P.U. 38 (2022) issued by the Board in late 2022. The actual cost of the power transformer increased 32% between the time the estimate was completed in 2022 to the time the procurement contract was completed in 2023.

Transmission

4. Transmission Line Maintenance:
Budget: $2,884,000 Actual: $3,754,000 Variance: $870,000

The actual expenditure for the *Transmission Line Maintenance* program was $870,000, or 30%, higher than the budget estimate.

The *Transmission Line Maintenance* program budget estimate is determined based on the five-year historical average. This increase is primarily due to the relocation of sections of Transmission Lines 38L and 39L, near Newfoundland and Labrador Hydro's ("Hydro") Holyrood Generating Station, to accommodate the approved early execution capital work required for the proposed construction of the Avalon Combustion Turbine.[1]

5. Wood Pole Retreatment:
Budget: $600,000 Actual: $255,000 Variance: ($345,000)

The actual expenditure for the *Wood Pole Retreatment* project was $345,000, or 58%, lower than the budget estimate.

This decrease was primarily due to lower than anticipated contractor pricing compared to the budget estimate. The *2025 Capital Budget Application* was the first year of the *Wood Pole Retreatment* project and historical costs were not available to inform the budget estimate. In the *2026 Capital Budget Application*, this scope of work is incorporated into the *Transmission Line Maintenance* program.[2]

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1 The *Transmission Line Maintenance* program includes a component to accommodate third-party requests to relocate or replace sections of transmission lines. In Order No. P.U. 30 (2025), the Board approved a contribution by Hydro for the costs associated with the relocation of a portion of Newfoundland Power's Transmission Lines 38L and 39L at the request of Hydro.

2 See the Company's *2026 Capital Budget Application, Schedule B*, page 78.

Distribution

6. *Extensions:*
Budget: $13,402,000 Actual: $18,558,000 Variance: $5,156,000

The actual expenditure for the *Extensions* program was $5,156,000 or 38%, higher than the budget estimate.

The *Extensions* program budget is determined based on the forecast number of new customer connections and the average historical cost of constructing extensions. The 2025 budget estimate was based on a forecast of 2,220 customer connections. Actual customer connections were 3,122 representing a 41% increase.[3]

In addition, approximately $1,756,000 of costs were incurred in 2025 for large-scale extensions to connect customers.[4]

7. *Reconstruction:*
Budget: $7,425,000 Actual: $8,488,000 Variance: $1,063,000

The actual expenditure for the *Reconstruction* program was $1,063,000, or 14%, higher than the budget estimate.

The *Reconstruction* program budget estimate is determined based on the five-year historical average. This increase is largely due to major events in 2025 resulting in the requirement for additional work.[5]

8. *New Services:*
Budget: $3,208,000 Actual: $4,308,000 Variance: $1,100,000

The actual expenditure for the *New Services* program was $1,100,000, or 34%, higher than the budget estimate.

The *New Services* program budget estimate is determined based on the forecast number of new customer connections, and the average historical cost of connecting a new customer. The 2025 budget estimate was based on a forecast of 2,220 customer connections. Actual customer connections were 3,122 representing a 41% increase.[6]

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3 In the *2025 Capital Expenditure Status Report* filed as part of the *2026 Capital Budget Application*, Newfoundland Power revised its 2025 forecast to $19,982,000 based on an increase to 3,310 new customer connections. Actual expenditures were $1,424,000, or 7% below the revised forecast.

4 The large-scale extension developments in 2025 were primarily related to the Joe Batt's Pond and Jonathan's Pond cottage areas. CIACs for these developments were approved in Order Nos. P.U. 19 (2025) and 22 (2023), respectively.

5 Major events in 2025 included a severe winter storm in January, a windstorm in November and four winter storms in December. In addition, major events include costs related to summer wildfires excluding those allocated to the *Allowance for Unforeseen Items* project. Total capital expenditure for these events totaled approximately $692,000.

6 In the *2025 Capital Expenditure Status Report* filed as part of the *2026 Capital Budget Application*, Newfoundland Power revised its 2025 forecast to $4,784,000 based on an increase to 3,310 new customer connections. Actual expenditures were $476,000, or 10% below the revised forecast.

9. New Street Lighting:
Budget: $2,460,000 Actual: $1,856,000 Variance: ($604,000)

The actual expenditure for the *New Street Lighting* program was $604,000, or 25%, lower than the budget estimate.

The *New Street Lighting* program budget estimate is determined based on the five-year historical average cost. This decrease is primarily attributable to a 26% decrease in requests for new street light installations as compared to the previous five-year average.[7]

10. New Meters:
Budget: $457,000 Actual: $738,000 Variance: $281,000

The actual expenditure for the *New Meters* program was $281,000, or 61%, higher than the budget estimate.

The *New Meters* program budget estimate is determined based on the forecast number of new customer connections and the five-year historical average cost. The 2025 budget estimate was based on a forecast of 2,220 customer connections. Actual customer connections were 3,122 representing a 41% increase.[8]

[7] There were 704 new street lights installed in 2025. Over the period 2020 to 2024, there were an average of 955 new street lights installed (1 – (704 / 955) = 0.26 or 26%).

[8] In the *2025 Capital Expenditure Status Report* filed as part of the *2026 Capital Budget Application*, Newfoundland Power revised its 2025 forecast to $668,000 based on an increase to 3,310 new customer connections. Actual expenditures were $70,000, or 10% above the revised forecast.

General Property

11. Specialized Tools and Equipment
Budget: $595,000 Actual: $430,000 Variance: ($165,000)

The actual expenditure for the *Specialized Tools and Equipment* project was $165,000, or 28%, lower than the budget estimate.

This decrease is largely due to lower than expected requirements for tools in 2025.

Unforeseen Allowance

12. Allowance for Unforeseen Items:

Budget: $750,000 Actual: $579,000 Variance: ($171,000)

The *Allowance for Unforeseen Items* is used as required in accordance with the Provisional Guidelines. The $579,000 expenditure was related to the restoration activities arising from wildfires in the Kingston area of Conception Bay North. The remaining allowance of $171,000 was not required to be used in 2025.

The Kingston Wildfire caused damage to the Company's distribution infrastructure, including poles, transformers, service wires, and streetlights, requiring repair or replacement to safely restore electricity service to affected customers.

Additional information on the use of the *Allowance for Unforeseen Items* in 2025 is provided in Appendix D.

Multi-Year Projects

13. Transmission Line 55L Rebuild (2023-2024 Multi-Year Project)
Budget: $10,612,000 Actual: $13,032,000 Variance: $2,420,000

The *Transmission Line 55L Rebuild* project was a multi-year project that commenced in 2023. Actual capital expenditures on the project were $2,420,000, or 23%, higher than the budget estimate. The increase was largely associated with higher-than-expected contractor and material costs.[9]

14. Mobile Hydro Plant Refurbishment (2023-2024 Multi-Year Project)
Budget: $4,146,000 Actual: $6,548,000 Variance: $2,402,000

The *Mobile Hydro Plant Refurbishment* project was a multi-year project that commenced in 2023. Actual capital expenditures on the project were $2,402,000, or 58%, higher than the budget estimate. The increase was largely associated with additional mechanical refurbishment work identified during the project, as well as delays due to longer than anticipated lead times associated with the governor, switchgear and generator refurbishment.[10]

Progress on the project was constrained by delays in the completion of the generator stator rewind. Mechanical refurbishment activities were dependent on completion of the stator work and the full disassembly of the generating unit. Upon reassembly of the generating unit, the unit underwent commissioning and failed in service. Additional unplanned disassembly, repair work and reassembly were required to identify and correct the issue, after which final commissioning activities successfully returned the unit to service.

15. Replace Vehicles and Aerial Devices 2023-2024
Budget: $4,699,000 Actual: $4,161,000 Variance: ($538,000)

The *Replace Vehicles and Aerial Devices (2023-2024)* project was a multi-year project that commenced in 2023. Actual capital expenditures on the project were $4,161,000, including a $550,000 carryover to 2026, resulting in a $538,000, or 11%, reduction from the approved budget. The decrease in expenditures is primarily attributable to lower requirements for passenger vehicles and offroad vehicles.[11]

9 See the Company's *2024 Capital Expenditure Report,* Appendix A, page 5.
10 *Ibid.*
11 See the Company's *2023 Capital Expenditure Report*, Appendix A, page 11.

APPENDIX B:

Discussion of Capital Expenditures

Newfoundland Power's Capital Planning Process

Newfoundland Power's annual capital expenditures are the product of a comprehensive capital planning process. The Company's capital planning process applies sound engineering and objective data to determine which expenditures are required annually to provide customers with access to safe and reliable service, in an environmentally responsible manner, at the lowest possible cost.

Newfoundland Power's annual capital expenditures include a combination of recurring programs and discrete projects. The capital planning process for programs and projects is described below.

Capital Program Planning

Programs include capital investments related to high-volume, repetitive work that is required on an ongoing basis. Programs include:

(i) Capital work required to connect new customers to the electrical system, such as the installation of services and meters;
(ii) Corrective and preventative maintenance programs necessary to maintain the electrical system, including the replacement of equipment that has failed or deteriorated; and
(iii) Capital expenditures necessary to replace or add specific materials used in providing service to customers, such as personal computers, tools and equipment.

Programs required to connect new customers to the electrical system are generally budgeted on the basis of forecast customer requirements. Each year, Newfoundland Power updates its capital plan to reflect its most recent Customer, Energy and Demand Forecast. The Customer, Energy and Demand Forecast estimates new customer connections that are expected over the next five years based on economic inputs from the Conference Board of Canada, such as forecast housing starts. This data is then used to determine forecast expenditures to connect new customers, including forecast expenditures for meters, services, and extensions to the distribution system.

Programs required to complete corrective and preventative maintenance of the electrical system are generally budgeted on the basis of historical expenditures and forecast inflation.[1] Capital requirements for corrective and preventative maintenance programs tend to be reasonably stable over time. Each year, the Company updates its forecast expenditures for these programs based on the most recent five-year average of expenditures and the latest forecast of inflation. This budgeting methodology helps to ensure forecast expenditures reflect the Company's most recent experience with maintaining the electrical system.

[1] Inflation is calculated based on the GDP Deflator for Canada for non-labour costs and the Company's internal labour inflation rate for labour costs.

Capital expenditures for programs required to replace or add specific materials used in providing service to customers are generally budgeted based on a combination of historical expenditures, forecast inflation, and identified operational requirements. For example, identified operational requirements could include the need to purchase a specific quantity of personal computers.

In forecasting program expenditures, Newfoundland Power reviews any recent variances in actual costs from approved budgets and the reasons for those variances. If significant variances are observed in consecutive years, an analysis is undertaken to determine whether a different budgeting methodology would be more reflective of forecast requirements.[1]

Capital Project Planning

Projects include capital investments for identifiable assets where the required work has a defined schedule, scope and budget based on detailed engineering estimates.

Forecast expenditures related to projects are updated annually to reflect the latest:

(i) Condition assessments of electrical system assets. Information on asset condition is obtained through annual inspection programs, engineering reviews and recent operating experience. This information identifies equipment that is deteriorated, deficient, or has failed and requires replacement or refurbishment to extend its useful service life.

(ii) Forecasts of electrical system load. System load forecasts are produced annually using computer modelling to determine any areas where capital expenditures are required to respond to customers' changing electrical system requirements.

(iii) Changes in economic factors or industry requirements. This may include changes in engineering standards, regulatory requirements, or economic factors, such as marginal system costs, which could affect requirements for capital expenditures.

(iv) Changes in operational requirements. This may include changes affecting Company information systems, such as obsolescence or cybersecurity requirements, as well as opportunities identified to enhance operational efficiency or effectiveness.

[1] For example, Newfoundland Power adjusted its budget for forecasting expenditures under its *Street Lighting* program as part of its *2022 Capital Budget Application* in response to previous variances.

2025 Capital Expenditures Overall

Approved capital expenditures in 2025 totaled $128.0 million. Actual expenditures were $135.7 million, including forecast expenditures of $15.0 million carried forward into 2026. Actual expenditure was $7.7 million, or 6% higher than the total approved capital budget of $128.0 million.

For additional information on Newfoundland Power's 2025 capital expenditures, see the 2025 Capital Expenditures Overview of the *2025 Capital Expenditure Report.*

2025 Capital Project Changes

Mobile Hydro Plant Refurbishment

A portion of the scope of the *Mobile Hydro Plant Refurbishment* project was not completed as originally anticipated. Progress on the project was constrained by the completion of the generator stator rewind, which extended later than originally anticipated. Associated mechanical refurbishment activities were dependent on completion of the stator work and the full disassembly of the generating unit. Upon reassembly of the generating unit, the unit underwent commissioning and failed in service. Additional unplanned disassembly, repair work and reassembly were required to identify and correct the issue, after which final commissioning activities successfully returned the unit to service.

The *Mobile Hydro Plant Refurbishment* project was a multi-year project submitted in the *2023 Capital Budget Application*. This project was approved by the Board in Order No. P.U. 38 (2022).

Mobile Hydro Plant Penstock Refurbishment

The *Mobile Hydro Plant Penstock Refurbishment* project was a single-year project that commenced in 2025 but could not be executed as planned. The project was planned to be undertaken during the summer months to take advantage of favourable water conditions and minimize spillage from the Mobile Big Pond reservoir. Due to delays in the completion of the generator refurbishment at the Mobile Plant as discussed above, Newfoundland Power determined that the penstock refurbishment work could not be completed as originally scheduled. The construction of the penstock has been deferred to the following spring and will be completed in 2026.

The *Mobile Hydro Plant Penstock Refurbishment* project was submitted in the *2025 Capital Budget Application*. This project was approved by the Board in Order No. P.U. 27 (2024).

APPENDIX C:

Key Performance Indicators

A summary in table and graphical format of variance metrics for capital projects and programs is provided below in accordance with the Provisional Guidelines.

2025 Capital Projects

In 2025, Newfoundland Power had a total of 39 capital projects, 26 of which were fully completed in 2025. The approved budget of the 26 completed capital projects totaled $41,155,000 and the final cost was $40,422,000. Projects not completed include eight multi-year capital projects that commenced in 2025 and continued in 2026. An additional five capital projects have forecast carryover expenditures into 2026. Of the five capital projects classified under General Plant not completed in 2025, three projects are ongoing multi-year projects with expenditures in 2026. An additional two capital projects have forecast expenditures carried over into 2026.

Table 1 provides the number of capital projects planned compared to the number of capital projects completed, presented by investment classification and materiality threshold.

Table 1
2025 Capital Projects
Planned and Completed

Investment Classification	Materiality Threshold	Planned	Completed
Access	<$1 million	-	-
	$1 million to $5 million	-	-
	>$5 million	-	-
Total Access		**-**	**-**
General Plant	<$1 million	9	8
	$1 million to $5 million	5	2
	>$5 million	1	-
Total General Plant		**15**	**10**
Mandatory	<$1 million	2	2
	$1 million to $5 million	-	-
	>$5 million	1	1
Total Mandatory		**3**	**3**

Table 1 2025 Capital Projects Planned and Completed (Continued)			
Investment Classification	Materiality Threshold	Planned	Completed
Renewal	<$1 million	5	4
	$1 million to $5 million	7	3
	>$5 million	5	3
Total Renewal[1]		**17**	**10**
Service Enhancement	<$1 million	1	1
	$1 million to $5 million	1	-
	>$5 million	1	1
Total Service Enhancement[2]		**3**	**2**
System Growth	<$1 million	1	1
	$1 million to $5 million	-	-
	>$5 million	-	-
Total System Growth		**1**	**1**
Overall	<$1 million	18	16
	$1 million to $5 million	13	5
	>$5 million	8	5
Total Overall		**39**	**26**

1 Of the seven capital projects classified under Renewal not completed in 2025, five projects are ongoing multi-year projects with expenditures in 2026. The remaining two projects have associated carryover work to be completed in 2026.

2 Of the three capital projects classified under Service Enhancement, one project was not completed. This project has associated carryover work to be completed in 2026.

Table 2 provides the approved 2025 budget amount of the capital projects that were completed in 2025 compared to the final cost of the project, presented by investment classification and materiality threshold.

Table 2
2025 Capital Projects Completed
Budget and Final Costs
($000s)

Investment Classification	Materiality Threshold	Approved Budget	Final Cost
Access	<$1 million	-	-
	$1 million to $5 million	-	-
	>$5 million	-	-
Total Access		**-**	**-**
General Plant	<$1 million	5,816	5,858
	$1 million to $5 million	3,581	4,027
	>$5 million	-	-
Total General Plant		**9,397**	**9,885**
Mandatory	<$1 million	970	822
	$1 million to $5 million	-	-
	>$5 million	5,081	4,631
Total Mandatory		**6,051**	**5,453**
Renewal	<$1 million	2,451	1,979
	$1 million to $5 million	1,607	1,450
	>$5 million	14,426	14,611
Total Renewal		**18,484**	**18,040**
Service Enhancement	<$1 million	609	449
	$1 million to $5 million	-	-
	>$5 million	5,654	5,572
Total Service Enhancement		**6,263**	**6,021**

Table 2
2025 Capital Projects Completed
Budget and Final Costs
($000s)
(Continued)

Investment Classification	Materiality Threshold	Approved Budget	Final Cost
System Growth	<$1 million	960	1,023
	$1 million to $5 million	-	-
	>$5 million	-	-
Total System Growth		**960**	**1,023**
Overall	<$1 million	10,806	10,131
	$1 million to $5 million	5,188	5,477
	>$5 million	25,161	24,814
Total Overall		**41,155**	**40,422**

2025 Capital Programs

In 2025, Newfoundland Power had four capital programs whose budgets were determined based on forecast customer connections or forecast units to be replaced. These include the *Extensions* program, *New Services* program, *New Meters* program, and *Replacement Meters* program.

Table 3 provides the approved budget and final cost, number of units planned and completed, as well as the estimated average unit cost and actual average unit cost by materiality threshold.

Table 3
2025 Capital Programs

Materiality Threshold	Program	Approved Budget ($000s)	Final Cost ($000s)	Number of Planned Units[3]	Actual Number of Units[4]	Estimated Average Unit Cost ($)	Actual Average Unit Cost ($)
<$1 million	New Meters	457	738	2,220	3,122	206	236
	Replacement Meters	648	580	3,549	3,375	183	172
$1 million to $5 million	New Services	3,208	4,308	2,220	3,122	1,445	1,380
>$5 million	Extensions	13,402	18,558	2,220	3,122	6,037	5,944

[3] For the *New Meters, New Services,* and *Extensions* programs, planned units reflect the forecasted customer connections. For the *Replacement Meters* program, planned units reflect the sum of forecast replacement meters, Compliance Sampling Orders ("CSOs") and Government Retest Orders ("GROs").

[4] For the *New Meters, New Services,* and *Extensions* programs, actual units reflect the actual number of customer connections. For the *Replacement Meters* program, actual units reflect the sum of meters replaced, CSOs, and GROs.

Comparative Project Data

Table 4 provides a comparison of the number of capital projects planned compared to the number of capital projects completed, presented by investment classification and materiality threshold for the years 2023, 2024 and 2025.

Table 4
Capital Projects
Planned and Completed

Investment Classification	Materiality Threshold	2023 Planned	2023 Completed	2024 Planned	2024 Completed	2025 Planned	2025 Completed
Access	<$1 million	-	-	-	-	-	-
	$1 million to $5 million	2	2	-	-	-	-
	>$5 million	-	-	-	-	-	-
Total Access		**2**	**2**	**-**		**-**	**-**
General Plant	<$1 million	6	3	8	5	9	8
	$1 million to $5 million	5	2	3	-	5	2
	>$5 million	2	-	-	-	1	-
Total General Plant		**13**	**5**	**11**	**5**	**15**	**10**
Mandatory	<$1 million	3	3	3	3	2	2
	$1 million to $5 million	1	1	1	1	-	-
	>$5 million	-	-	-	-	1	1
Total Mandatory		**4**	**4**	**4**	**4**	**3**	**3**

Table 4 Capital Projects Planned and Completed (Continued)							
Investment Classification	Materiality Threshold	2023 Planned	2023 Completed	2024 Planned	2024 Completed	2025 Planned	2025 Completed
Renewal	<$1 million	5	4	10	4	5	4
	$1 million to $5 million	6	1	7	1	7	3
	>$5 million	3	-	2	-	5	3
Total Renewal		**14**	**5**	**19**	**5**	**17**	**10**
Service Enhancement	<$1 million	1	1	2	2	1	1
	$1 million to $5 million	1	-	-	-	1	-
	>$5 million	1	1	1	1	1	1
Total Service Enhancement		**3**	**2**	**3**	**3**	**3**	**2**
System Growth	<$1 million	1	1	1	1	1	1
	$1 million to $5 million	-	-	1	-	-	-
	>$5 million	-	-	-	-	-	-
Total System Growth		**1**	**1**	**2**	**1**	**1**	**1**
Overall	<$1 million	16	12	24	15	18	16
	$1 million to $5 million	15	6	12	2	13	5
	>$5 million	6	1	3	1	8	5
Total Overall		**37**	**19**	**39**	**18**	**39**	**26**

Table 5 compares the approved budget amount of the capital projects planned in 2023, 2024 and 2025 that were completed to the final cost of the project in each respective year, presented by investment classification and materiality threshold.

Table 5 Capital Projects Completed Budget and Final Costs ($000s)							
Investment Classification	Materiality Threshold	2023 Approved Budget	2023 Final Cost	2024 Approved Budget	2024 Final Cost	2025 Approved Budget	2025 Final Cost
Access	<$1 million	-	-	-	-	-	-
	$1 million to $5 million	6,003	5,543	-	-	-	-
	>$5 million	-	-	-	-	-	-
Total Access		**6,003**	**5,543**	**-**	**-**	**-**	**-**
General Plant	<$1 million	1,703	1,878	3,226	3,190	5,816	5,858
	$1 million to $5 million	2,351	1,900	-	-	3,581	4,027
	>$5 million	-	-	-	-	-	-
Total General Plant		**4,054**	**3,778**	**3,226**	**3,190**	**9,397**	**9,885**
Mandatory	<$1 million	1,422	738	1,554	875	970	822
	$1 million to $5 million	4,000	5,100	4,500	4,701	-	-
	>$5 million	-	-	-	-	5,081	4,631
Total Mandatory		**5,422**	**5,838**	**6,054**	**5,576**	**6,051**	**5,453**
Renewal	<$1 million	2,659	2,609	2,723	2,846	2,451	1,979
	$1 million to $5 million	1,577	1,556	1,566	1,496	1,607	1,450
	>$5 million	-	-	-	-	14,426	14,611
Total Renewal		**4,236**	**4,165**	**4,289**	**4,342**	**18,484**	**18,040**

Table 5
Capital Projects Completed
Budget and Final Costs
($000s)
(Continued)

Investment Classification	Materiality Threshold	2023 Approved Budget	2023 Final Cost	2024 Approved Budget	2024 Final Cost	2025 Approved Budget	2025 Final Cost
Service Enhancement	<$1 million	563	511	1,468	1,276	609	449
	$1 million to $5 million	-	-	-	-	-	-
	>$5 million	5,453	5,953	5,541	5,945	5,654	5,572
Total Service Enhancement		**6,016**	**6,464**	**7,009**	**7,221**	**6,263**	**6,021**
System Growth	<$1 million	670	732	451	364	960	1,023
	$1 million to $5 million	-	-	-	-	-	-
	>$5 million	-	-	-	-	-	-
Total System Growth		**670**	**732**	**451**	**364**	**960**	**1,023**
Overall	<$1 million	7,017	6,468	9,422	8,551	10,806	10,131
	$1 million to $5 million	13,931	14,099	6,066	6,197	5,188	5,477
	>$5 million	5,453	5,953	5,541	5,945	25,161	24,814
Total Overall		**26,401**	**26,520**	**21,029**	**20,693**	**41,155**	**40,422**

Comparative Program Data

Table 6 and Table 7 provide a comparison of the number of capital projects planned compared to the number of capital projects completed, presented by investment classification and materiality threshold for the years 2023, 2024 and 2025.

Table 6
Capital Programs
Number of Units by Materiality Threshold

Materiality Threshold	Program	2023 Number of Planned Units[5]	2023 Actual Number of Units[6]	2024 Number of Planned Units	2024 Actual Number of Units	2025 Number of Planned Units	2025 Actual Number of Units
<$1 million	New Meters	2,185	2,372	2,053	3,052	2,220	3,122
	Replacement Meters	4,877	2,898	3,884	775	3,549	3,375
$1 million to $5 million	New Services	2,185	2,372	2,053	3,052	2,220	3,122
>$5 million	Extensions	2,185	2,372	2,053	3,052	2,220	3,122

[5] For the *New Meters, New Services,* and *Extensions* programs, planned units reflect the forecasted customer connections. For the *Replacement Meters* program, planned units reflect the sum of forecast replacement meters, CSOs and GROs.

[6] For the *New Meters, New Services,* and *Extensions* programs, actual units reflect the actual number of customer connections. For the *Replacement Meters* program, actual units reflect the sum of meters replaced, CSOs, and GROs.

Table 7
Capital Programs
Cost per Unit by Materiality Threshold
($)

Materiality Threshold	Program	2023 Planned Cost per Unit	2023 Actual Cost per Unit	2024 Planned Cost per Unit	2024 Actual Cost per Unit	2025 Planned Cost per Unit	2025 Actual Cost per Unit
<$1 million	New Meters	136	215	147	256	206	236
	Replacement Meters	136	183	147	439	183	172
$1 million to $5 million	New Services	1,335	1,374	1,387	1,200	1,445	1,380
>$5 million	Extensions	5,592	6,385	5,670	6,422	6,037	5,944

APPENDIX D:

Allowance for Unforeseen Items – Kingston Wildfire

THE KINGSTON WILDFIRE

On August 3, 2025, a wildfire was officially reported near Kingston, Newfoundland and Labrador (the "Kingston Wildfire" or the "Wildfire"). The Wildfire remained out of control for approximately three weeks until August 27, 2025, due to high temperatures and extremely dry conditions. The Wildfire covered a total of more than 10,000 hectares.

The Kingston Wildfire resulted in evacuation orders and customers' power being disconnected, as well as homes and businesses being destroyed. The Wildfire also caused significant damage to Newfoundland Power Inc.'s ("Newfoundland Power" or the "Company") electricity system in the Conception Bay North area, requiring immediate repair or replacement.[1]

Newfoundland Power worked closely with Fire and Emergency Services throughout the Wildfire. In addition, the Company had daily involvement with the Provincial Emergency Operation Centre ("PEOC") for damage assessment and electrical system restoration activities. The Company's Geographic Information System ("GIS") technology also played an important role in emergency coordination and infrastructure restoration, by allowing the Company to view the impact of the fire with respect to Newfoundland Power's distribution assets.

Figure 1 provides an image from the Company's GIS system of the Kingston Wildfire and distribution infrastructure on August 11, 2025.

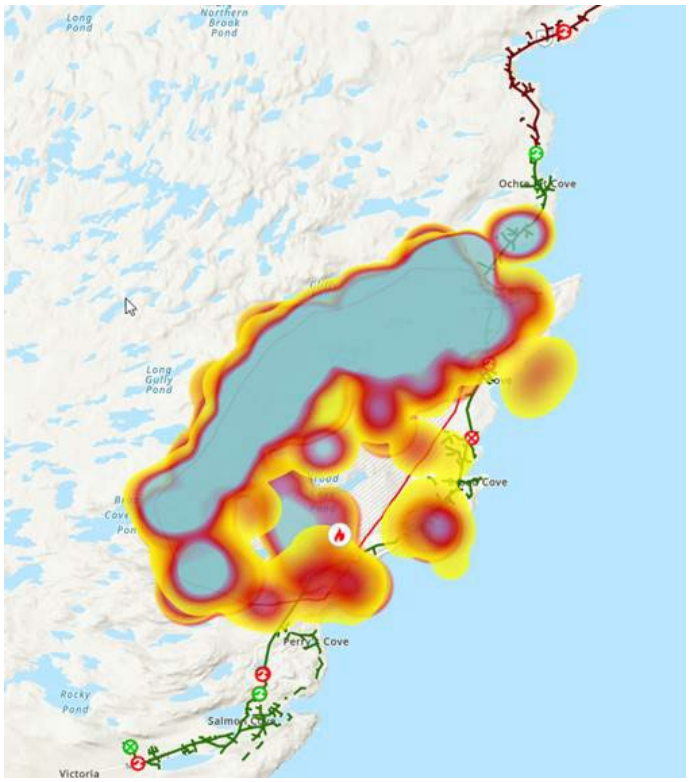

Figure 1: GIS image of the Kingston Wildfire, including Newfoundland Power distribution lines.

[1] This included significant damage to the Company's distribution feeders VIC-02 and OPL-02.

Beginning on August 4, 2025, evacuation orders and alerts were issued by Fire and Emergency Services for the communities affected by the Wildfire.[2] In total, 12 communities were forced to evacuate, eight of which experienced direct fire damage.[3]

Newfoundland Power disconnected power from Kingston to Adam's Cove on August 4, 2024, to assist fire fighting efforts, in accordance with the direction given by Fire and Emergency Service personnel.[4] The Company continued to disconnect its electrical infrastructure in a staged approach, to ensure the safety of Fire and Emergency Service personnel. Power was disconnected to the following communities as a result:

- Western Bay – August 9, 2025
- Ochre Pit Cove – August 10, 2025
- Northern Bay – August 11, 2025
- Perry's Cove, Gull Island and Burnt Point – August 12, 2025

At its peak, approximately 1,400 Newfoundland Power customers experienced an outage to their electrical service.[5] A total of more than 20 million minutes of customer outages were experienced.

NEWFOUNDLAND POWER'S RESPONSE

On Monday, August 18, 2025, Newfoundland Power was given permission to enter parts of the evacuation zone and begin damage assessment and repairs. Fire damage to Newfoundland Power's infrastructure was significant, consisting of damage to 245 poles and 17 pole-top transformers. There was also damage to primary and secondary conductors, street lighting, service wires and metering. Among the damaged infrastructure were poles and equipment that fell to the ground, some of which blocked roadways and prevented vehicle traffic.

The Company's response occurred in three stages: (i) remediation; (ii) replacement; and (iii) reconnection. The safe and timely restoration of service was the primary focus of Newfoundland Power's response.[6]

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2 Evacuation orders occurred from August 4, 2025 to August 9, 2025. Evacuation orders remained in place until August 23, 2025 with the last evacuation order being lifted on August 28, 2025.

3 Direct fire damage includes exposure to flames and heat resulting in either burning or melting. The eight communities that experienced direct fire damage spanned from Kingston to Northern Bay.

4 This included the operation of water bombers, helicopters and ground crew.

5 The electrical system did not experience any faults, as a result of power being disconnected before any distribution lines were damaged by fire.

6 In addition to taking a phased approach to damage assessment and repairs, Newfoundland Power took steps to ensure a fast and efficient response. This included: responding as quickly as possible and working continuously until work was completed; focusing only on necessary replacements; working with emergency services to complete as much work as possible before the evacuation order was lifted; leveraging contractors to complete activities not directly related to restoring power to customers; and like-for-like replacements. The majority of necessary repairs were completed within a two-week period as a result of these efforts. This minimized disruption to Newfoundland Power's planned work.

In addition, the Company's distribution system configuration allowed for limited customer outages and mitigation of additional capital expenditures.[7]

The initial stage of the response involved remedying any damaged equipment that posed a safety concern and clearing roadways of equipment and wires. This included identifying services connected to destroyed and damaged homes that would require electrical inspection authorization before being reconnected. In addition to the removal of any fallen poles or wires that were blocking roadways and preventing vehicle traffic, the Company also removed any debris or damaged equipment that caused a public safety risk. This work was primarily completed over the August 18 to August 20 timeframe.

The second stage of the response involved replacing damaged equipment required to restore power to undamaged customer premises. This included replacing poles, stringing new conductor, replacing transformers, and disconnecting service to damaged properties. Immediate replacement of 163 poles and 10 transformers was required to restore power.[8] This work was primarily completed over the August 21 to August 28 timeframe.

The final stage of the response involved reconnecting individual customer premises identified as damaged during assessment, which involved coordination with the province's electrical inspection authority. This work was primarily completed over the August 25 to August 28 timeframe, with power being restored to all non-damaged customer premises not requiring electrical inspection or repairs by August 28, 2025.[9]

A total of 199 electrically serviced customer premises were destroyed, and a further 124 premises were damaged. The 124 damaged premises required repairs and/or an electrical inspection before electrical service can be reconnected. As of March 26, 2026, all 124 customers have been reconnected.

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7 The system configuration allowed the Company to isolate the affected portion of the distribution system without interrupting service to customers located downstream of the affected area. Absent this configuration, customers who were not directly affected by the Wildfire could have experienced an extended loss of electrical service, in which case Newfoundland Power may have been required to deploy portable generation to maintain service, resulting in additional cost and operational requirements.

8 The Company has deferred replacement of 82 poles and 7 transformers, which will require replacement in the future once properties are rebuilt.

9 Eleven services were reconnected after August 28, 2025, as the Company received electrical authorization from the province's electrical inspection authority to reconnect.

COSTS

The total capital expenditure associated with replacing distribution poles, transformers, primary and secondary conductor, service wires, streetlighting and meters due to the Kingston wildfire was approximately $579,000.[10]

These capital expenditures were undertaken in accordance with the *Allowance for Unforeseen Items* capital project approved as part of the Company's *2025 Capital Budget Application*. Work arising from the Kingston Wildfire was not anticipated at the time of the filing of Newfoundland Power's *2025 Capital Budget Application*. Wildfires are unpredictable by nature, and a wildfire event of this magnitude was previously unprecedented for Newfoundland Power. The costs incurred in rebuilding the fire damaged infrastructure on an urgent basis were necessary to restore electricity service to customers affected by the Kingston Wildfire.

[10] This includes approximately $201,000 in materials, $350,000 in internal labour and $28,000 in contract labour.