



Newfoundland and Labrador Hydro
Hydro Place, 500 Columbus Drive
P.O. Box 12400, St. John's, NL
Canada A1B 4K7
t. 709.737.1400 | f. 709.737.1800
nlhydro.com

May 26, 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: Application for Approval of the Island Industrial Customer Rate Adjustments Effective July 1, 2026

Please find enclosed Newfoundland and Labrador Hydro's ("Hydro") application for approval of the 2026 Island Industrial Customer Rate Adjustments including an updated Project Cost Recovery Rider, as well as an update to the Island Industrial Customer Conservation and Demand Management ("CDM") Cost Recovery Adjustment, to become effective July 1, 2026 ("Application").

The Project Cost Recovery Rider has been updated to reflect an average rate increase of 3.0% for July 1, 2026, which is consistent with the rate increase proposed for the Wholesale rate in the Application for July 1, 2026 Utility Rate Adjustments. The CDM Cost Recovery Adjustment has also been updated.

Hydro's proposals include:

- A revised CDM Cost Recovery Adjustment of 0.007 cents per kWh;
- A revised Project Cost Recovery Rider of 1.987 cents per kWh; and
- Approval of the Island Industrial Rate Sheet, attached as Schedule 3 of this Application.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

A handwritten signature in blue ink, appearing to read 'Shirley A. Walsh', is written over a horizontal line.

Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/mc

Encl.

Mike McNiven
Board of Commissioners of Public Utilities

2

ecc:

Board of Commissioners of Public Utilities

Jacqui H. Glynn
Ryan Oake
Board General

Consumer Advocate

Adrienne H.Y. Ding, O'Dea Earle
Justin W. King, O'Dea Earle
Consumer Advocate General

Linde Canada Inc.

Sheryl E. Nisenbaum
Tina Lahey

Newfoundland Power Inc.

Dominic J. Foley
Douglas W. Wright
Regulatory Email

Teck Resources Limited

Darren Hennessey

Island Industrial Customer Group

Paul L. Coxworthy, Stewart McKelvey
Denis J. Fleming, Cox & Palmer
Glen G. Seaborn, Poole Althouse

Island Industrial Customer Rate Adjustments

Effective July 1, 2026

May 26, 2026

An application to the Board of Commissioners of Public Utilities



IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 (“EPCA”) and the *Public Utilities Act*, RSNL 1990, Chapter P-47 (“Act”) and regulations thereunder; and

IN THE MATTER OF an application by Newfoundland and Labrador Hydro (“Hydro”), pursuant to Subsection 70(1) of the *Act*, for the approval of a change in the Conservation and Demand Management (“CDM”) Cost Recovery Adjustment and Project Cost Recovery Rider to be charged to Island Industrial Customers (“IIC”) effective July 1, 2026.

To: The Board of Commissioners of Public Utilities (“Board”)

THE APPLICATION OF HYDRO STATES THAT:

A. Background

1. Hydro, a corporation continued and existing under the *Hydro Corporation Act, 2024*, is a public utility within the meaning of the *Act*, and is subject to the provisions of the *EPCA*.
2. Under the *Act*, the Board of Commissioners of Public Utilities (“Board”) has the general supervision of public utilities and requires that a public utility submits for the approval of the Board the rates, tolls, and charges for the service provided by the public utility and the rules and regulations that relate to that service.

Subsection 70(1) of the *Act* provides that a public utility shall not charge, demand, collect or receive compensation for a service performed by it until the Board has approved a schedule of rates, tolls, and charges for the services provided by the public utility.

CDM Cost Recovery

3. In Board Order No. P.U. 22(2017), the Board approved Hydro’s Rules and Regulations for CDM Cost Recovery, which require the CDM Cost Recovery Adjustment to be updated annually reflecting the ongoing amortizations and the deferred CDM program costs for the previous year.

4. In Board Order No. P.U. 37(2022), the Board approved a Revised CDM Cost Recovery Adjustment Definition effective as of January 1, 2023. The Revised CDM Cost Recovery Adjustment Definition increased the amortization period of annual CDM costs from seven to ten years, for both historical balances and annual charges.
5. In Board Order No. P.U. 28(2025), the Board approved an IIC CDM Cost Recovery Adjustment of 0.006 cents per kWh effective July 1, 2025.

Rate Mitigation

6. In OC 2024-062 in May 2024, Hydro's Board of Directors were directed to *"structure any application for utility rate increases such that retail rate increases to domestic rate class customers attributable to Newfoundland and Labrador Hydro shall be targeted at 2.25 per cent per year (the "Hydro Target Increase")"* for each rate application filed with the Board relating to the period up to and including the year 2030. The Government of Newfoundland and Labrador ("Government") further directed that rate increases be structured *"for other customers subject to Island Interconnected rates in a manner that is compatible with the Hydro Target Rate Increase."*¹

Project Cost Recovery Rider

7. On July 1, 2022, Hydro implemented a Project Cost Recovery Rider for its Utility customer to begin recovery of the Muskrat Falls Project cost payments being made by Hydro under the Muskrat Falls Power Purchase Agreement. Due to the impact on industrial billings in 2022 and 2023, to enable rate stability during that period, Hydro delayed implementation of the Project Cost Recovery Rider for IIC until 2024.
8. In Board Order No. P.U. 4(2024), the Board approved the implementation of a Project Cost Recovery Rider for IIC effective January 1, 2024. The combined effect of a decrease in the RSP Adjustment and the implementation of the Project Cost Recovery Rider resulted in no change to the rates for IIC as of January 1, 2024.
9. In Hydro's Application for Approval of the IIC Rate Adjustments Effective January 1, 2025, approved in Board Order No. P.U. 7(2025), Hydro requested an IIC RSP Current Plan Adjustment

¹ Government of Newfoundland and Labrador, *Order in Council OC2024-062*, May 7, 2024.

of 0.093 cents per kWh. This decrease in the RSP Adjustment was offset by the updated Project Cost Recovery Rider of 1.384 cents per kWh. The combined effect of the RSP change and the Project Cost Recovery Rider maintained rates at 2024 levels.

10. In its application for Approval of the IIC Rate Adjustments Effective January 1, 2025, Hydro indicated that any further updates to the Project Cost Recovery Rider would be made in the IIC CDM Cost Recovery Adjustment application effective July 1, 2026, to be filed in June of each year.²
11. Hydro's Application for the Approval of IIC Rates effective July 1, 2025 was approved in Board Order No. P.U. 28(2025). It effected a Project Cost Recovery Rider for IIC of 1.652 cents per kWh, increasing customer billings by 3.3%,³ consistent with the increase to the wholesale rate for Hydro's Utility customer and in line with Government's rate mitigation plan.
12. In January 2026, Hydro's application to discontinue the RSP Current Plan Adjustment for IIC and increase the Project Cost Recovery Rider by an equivalent amount. The Project Cost Recovery Rider of 1.745 cents per kWh was approved in Board Order No. P.U. 3(2026), allowing overall Customer billings to be maintained at the rate approved in Board Order No. P.U. 28(2025).
13. On April 24, 2026, Hydro filed its application for the July 1, 2026 Utility Rate Adjustment.⁴ The Proposed Project Cost Recovery Rider for Utility customers was designed to achieve the target average Domestic customer rate increase attributable to Hydro of 2.25% (3.0% wholesale rate increase), effective July 1, 2026.

B. Application

14. Schedule 1 to this Application provides the calculation of the proposed IIC CDM Cost Recovery Adjustment of 0.007 cents per kWh to be effective as of July 1, 2026. The proposed CDM Cost Recovery Adjustment is 0.001 cents per kWh higher than the existing CDM Cost Recovery Adjustment of 0.006 cents per kWh.

² "Island Industrial Customer Rate Adjustments - Effective January 1, 2025," Newfoundland and Labrador Hydro, January 15, 2025, Legal App, p. 3, para. 13.

³ The Board approved a 3.3% wholesale increase for Hydro's Utility Customer - effective July 1, 2025 in Board Order No. P.U. 22(2025).

⁴ "2026 Utility Rate Adjustments - Effective July 1, 2026," Newfoundland and Labrador Hydro, April 24, 2026.

15. Hydro's present application seeks approval of an updated Project Cost Recovery Rider of 1.987 cents per kWh, effective July 1, 2026. This proposal would increase customer billings by 3.0%, thereby allowing Hydro to collect Muskrat Falls Project related costs in a manner consistent with the rate mitigation plan as directed by OC2024-062. The 3.0% increase is consistent with Hydro's proposed increase to the wholesale rate for Hydro's Utility customer effective July 1, 2026. Schedule 2 to this Application provides the calculation for the projected billings increase.
16. Schedule 3 to this Application provides an updated IIC rate sheets, reflecting the revised IIC CDM Cost Recovery Adjustment and Project Cost Recovery rider.

C. Newfoundland and Labrador Hydro's Request

17. Hydro requests the Board approve:
 - (i) A revised IIC CDM Cost Recovery Adjustment of 0.007 cents per kWh, as set out in Schedule 1 of this Application, to be effective as of July 1, 2026;
 - (ii) A revised Project Cost Recovery Rider of 1.987 cents per kWh to become effective July 1, 2026; and
 - (iii) The Industrial-Firm Rate Sheet, attached as Schedule 3 of this Application.

D. Reasons for Approval

18. Approval by the Board of the proposed IIC CDM Cost Recovery Adjustment and Project Cost Recovery Rider will permit for recovery of deferred customer energy conservation program costs, as provided for, and intended by, Board Order No. P.U. 22(2017) and Board Order No. P.U. 37(2022) and increase rates for the Industrial Customers in accordance with the rate mitigation plan.

E. Communications

Communications with respect to this Application should be forwarded to Shirley A. Walsh, Senior Legal Counsel, Regulatory for Hydro.

DATED at St. John's in the province of Newfoundland and Labrador on this 26th day of May 2026.

NEWFOUNDLAND AND LABRADOR HYDRO



Shirley A. Walsh
Counsel for the Applicant
Newfoundland and Labrador Hydro,
500 Columbus Drive, P.O. Box 12400
St. John's, NL A1B 4K7
Telephone: (709) 685-4973

Schedule 1

Calculation of the Island Industrial Customer
Conservation and Demand Management Cost Recovery
Adjustment



Newfoundland and Labrador Hydro
Calculation of Conservation and Demand Management ("CDM") Cost Recovery Adjustment - Island Industrial Customers

Line No	A) Island Interconnected Recoverable Allocation		
	2025 Energy Sales (kWh)	Percent of Total kWh	Allocation of Recoverable Amount (\$000)
2	5,829,387,028	85.9%	249
3	497,118,133	7.3%	21
4	458,945,977	6.8%	20
5	6,785,451,138	100.0%	290

From Page 2, Line 30

6 B) Calculation of Island Industrial Customer CDM Cost Recovery Adjustment¹

Line No	Description	2	Line 3/10 years
7	Island Industrial Current Year Allocation (\$000)		Line 3/10 years
8	2025 Energy Sales - Island Industrial Customers (kWh)	497,118,133	From Line 3
9	2026 CDM Cost Recovery Adjustment (cents per kWh)	0.0004	[(Line 7 x 1,000)/Line 8] x 100
10	2025 CDM Cost Recovery Adjustment (cents per kWh)	0.0006	
11	2024 CDM Cost Recovery Adjustment (cents per kWh)	0.0006	
12	2023 CDM Cost Recovery Adjustment (cents per kWh)	0.0003	
13	2022 CDM Cost Recovery Adjustment (cents per kWh)	0.0005	
14	2021 CDM Cost Recovery Adjustment (cents per kWh)	0.0003	
15	2020 CDM Cost Recovery Adjustment (cents per kWh)	0.0010	
16	2019 CDM Cost Recovery Adjustment (cents per kWh)	0.0005	
17	2018 CDM Cost Recovery Adjustment (cents per kWh)	0.0004	
18	2017 CDM Cost Recovery Adjustment (cents per kWh)	0.0020	
19	Total CDM Cost Recovery Adjustment (cents per kWh)	0.007	Sum of Lines 9 to 18

¹Total may not add due to rounding.

Approval of the Island Industrial Customer Rate Adjustments Effective July 1, 2026
Schedule 1, Page 2 of 2

Conservation and Demand Management Account Amortization (\$'000)¹

Line No	Year	System Balance	As Filed - Seven-Year Amortization										As of June 30, 2023										Revised - Ten-Year Amortization									
			2017	2018	2019	2020	2021	2022	Amount Amortized	Remaining Account Balance	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035									
1		Island Interconnected	646	646	646	646	646	646	646	646	3,878	646	162	162	162	-	-	-	-	-	-	-	-									
2	2016	Hydro Rural Isolated	549	549	549	549	549	549	549	3,297	549	137	137	137	-	-	-	-	-	-	-	-										
3		Total²	1,196	1,196	1,196	1,196	1,196	1,196	1,196	7,175	1,196	299	299	299	-	-	-	-	-	-	-	-										
4		Island Interconnected	-	68	68	68	68	68	68	342	137	27	27	27	27	-	-	-	-	-	-	-										
5	2017	Hydro Rural Isolated	-	142	142	142	142	142	142	710	284	57	57	57	57	-	-	-	-	-	-	-										
6		Total²	-	211	211	211	211	211	1,053	421	84	84	84	84	-	-	-	-	-	-	-	-										
7		Island Interconnected	-	63	63	63	63	63	190	253	32	32	32	32	32	-	-	-	-	-	-	-										
8	2018	Hydro Rural Isolated	-	155	155	155	155	155	620	465	78	78	78	78	78	-	-	-	-	-	-	-										
9		Total²	-	218	218	218	218	218	873	655	109	109	109	109	109	-	-	-	-	-	-	-										
10		Island Interconnected	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
11	2019	Hydro Rural Isolated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
12		Total³	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
13		Island Interconnected	-	-	-	103	103	103	207	517	65	65	65	65	65	65	-	-	-	-	-	-										
14	2020	Hydro Rural Isolated	-	-	-	192	192	192	384	959	120	120	120	120	120	120	120	120	120	120	120	120										
15		Total³	-	-	-	295	295	295	590	1,476	185	185	185	185	185	185	185	185	185	185	185	185										
16		Island Interconnected	-	-	-	45	45	45	45	268	30	30	30	30	30	30	30	30	30	30	30	30										
17	2021	Hydro Rural Isolated	-	-	-	167	167	167	1,000	1,000	111	111	111	111	111	111	111	111	111	111	111	111										
18		Total²	-	-	-	-	-	211	1,268	141	141	141	141	141	141	141	141	141	141	141	141	141										
19		Island Interconnected	-	-	-	-	-	-	-	-	21	21	21	21	21	21	21	21	21	21	21	21										
20	2022	Hydro Rural Isolated	-	-	-	-	-	-	-	-	88	88	88	88	88	88	88	88	88	88	88	88										
21		Total²	-	-	-	-	-	-	-	-	110	110	110	110	110	110	110	110	110	110	110	110										
22		Island Interconnected	-	-	-	-	-	-	-	-	41	41	41	41	41	41	41	41	41	41	41	41										
23	2023	Hydro Rural Isolated	-	-	-	-	-	-	-	-	96	96	96	96	96	96	96	96	96	96	96	96										
24		Labrador Interconnected	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
25		Total²	-	-	-	-	-	-	-	-	137	137	137	137	137	137	137	137	137	137	137	137										
26		Island Interconnected	-	-	-	-	-	-	-	-	39	39	39	39	39	39	39	39	39	39	39	39										
27	2024	Hydro Rural Isolated	-	-	-	-	-	-	-	-	99	99	99	99	99	99	99	99	99	99	99	99										
28		Labrador Interconnected	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
29		Total⁴	-	-	-	-	-	-	-	-	138	138	138	138	138	138	138	138	138	138	138	138										
30		Island Interconnected	-	-	-	-	-	-	-	-	29	29	29	29	29	29	29	29	29	29	29	29										
31	2025	Hydro Rural Isolated	-	-	-	-	-	-	-	-	99	99	99	99	99	99	99	99	99	99	99	99										
32		Labrador Interconnected	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
33		Total⁴	-	-	-	-	-	-	-	-	128	128	128	128	128	128	128	128	128	128	128	128										
34		Island Interconnected	646	715	778	778	881	926	4,725	1,758	336	377	416	445	283	224	224	160	130	109	68	29										
35		Hydro Rural Isolated	549	691	846	846	1,038	1,205	5,177	3,258	591	687	786	885	748	691	613	494	382	294	198	99										
36		Labrador Interconnected	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
37		Grand Total	1,196	1,406	1,625	1,625	1,920	2,131	9,902	5,016	927	1,064	1,202	1,330	1,031	838	838	838	838	838	838	128										

¹ Totals may not add due to rounding.
² Consistent with the "2022 Conservation and Demand Management Report," Newfoundland and Labrador Hydro, March 31, 2023, p. 13, Table 5.
³ Utility Rider was deferred as per OC2020-081.
⁴ Includes 2019 (\$1.5 million) and 2020 (\$0.6 million) activity.
⁵ Consistent with the "2023 Electrification, Conservation and Demand Management Report," Newfoundland and Labrador Hydro, April 10, 2024, p. 5, Table 2, Board Order No. P.U. 37(2022) approved recovery of Labrador Interconnected program costs effective January 1, 2023, which will be dealt with through Hydro's General Rate Applications.
⁶ Consistent with the "2024 Electrification, Conservation and Demand Management Report," Newfoundland and Labrador Hydro, April 10, 2025, p. 5, Table 2.
⁷ Consistent with the "2025 Electrification, Conservation and Demand Management Report," Newfoundland and Labrador Hydro, April 10, 2026, p. 5, Table 2.

Schedule 2

Island Industrial Customer Project Cost Recovery Rider
and Billing Impacts



Newfoundland and Labrador Hydro
Island Industrial Customers Estimated Billing Impacts
July 1, 2026

	Billing Units ¹	Unit	Current Rates	Billings at Existing Rates (\$)	Proposed Rates	Revised Billings (\$)	Change (\$)	Change (%)
Demand (kW/s)	855,466	\$/kW/mo	10.73	9,179,150	10.73	9,179,150		
Energy - Firm (MW/s)	497,118	c/kWh	4.428	22,012,391	4.428	22,012,391		
Specifically Assigned		\$	318,130	318,130	318,130	318,130		
Total Base Rate				31,509,671		31,509,671	-	0.0%
Project Cost Recovery Rider	497,118	c/kWh	1.745	8,674,711	1.987	9,876,404	1,201,692	3.0%
CDM Recovery Adjustment	497,118	c/kWh	0.006	29,827	0.007	34,798	4,971	0.0%
Total²				40,214,210		41,420,873	1,206,663	3.0%

¹ Billing units are based on January to December 2025 actuals.

² Totals may not add due to rounding.

Newfoundland and Labrador Hydro
Island Industrial Customers Estimated Billing Impacts
Linde Canada Inc.
July 1, 2026

	Billing Units ¹	Unit	Current Rates	Billings at Existing Rates (\$)	Revised Rates	Revised Billings (\$)	Change (\$)	Change (%)
Demand (kW/s)	72,000	\$/kW/mo	10.73	772,560	10.73	772,560		
Energy - Firm (MWhs)	47,101	¢/kWh	4.428	2,085,633	4.428	2,085,633		
Specifically Assigned		\$	-	-	-	-		
Total Base Rate				2,858,193		2,858,193	-	0.0%
Project Cost Recovery Rider	47,101	¢/kWh	1.745	821,913	1.987	935,771	113,858	3.1%
CDM Recovery Adjustment	47,101	¢/kWh	0.006	2,826	0.007	3,297	471	0.0%
Total				3,682,932		3,797,261	114,329	3.1%

¹ Billing units are based on January to December 2025 actuals.

Newfoundland and Labrador Hydro
Island Industrial Customers Estimated Billing Impacts
Vale Newfoundland and Labrador Ltd.
July 1, 2026

	Billing Units ¹	Unit	Current Rates	Billings at Existing Rates (\$)	Revised Rates	Revised Billings (\$)	Change (\$)	Change (%)
Demand (kW/s)	538,900	\$/kW/mo	10.73	5,782,397	10.73	5,782,397		
Energy - Firm (MWhs)	323,280	¢/kWh	4.428	14,314,835	4.428	14,314,835		
Specifically Assigned		\$	145,352	145,352	145,352	145,352		
Total Base Rate				20,242,584		20,242,584	-	0.0%
Project Cost Recovery Rider	323,280	¢/kWh	1.745	5,641,235	1.987	6,422,705	781,470	3.0%
CDM Recovery Adjustment	323,280	¢/kWh	0.006	19,397	0.007	22,630	3,233	0.0%
Total²				25,903,215		26,687,918	784,703	3.0%

¹ Billing units are based on January to December 2025 actuals.

² Totals may not add due to rounding.

Newfoundland and Labrador Hydro
Island Industrial Customers Estimated Billing Impacts
Corner Brook Pulp and Paper Ltd.
July 1, 2026

	Billing Units ¹	Unit	Current Rates	Billings at Existing Rates (\$)	Revised Rates	Revised Billings (\$)	Change (\$)	Change (%)
Demand (kW/s)	6,000	\$/kW/mo	10.73	64,380	10.73	64,380		
Energy - Firm (MWhs)	20	¢/kWh	4.428	883	4.428	883		
Specifically Assigned		\$	13,311	13,311	13,311	13,311		
Total Base Rate				78,574		78,574	-	0.0%
Project Cost Recovery Rider	20	¢/kWh	1.745	348	1.987	396	48	0.1%
CDM Recovery Adjustment	20	¢/kWh	0.006	1	0.007	1	0	0.0%
Total²				78,924		78,972	48	0.1%

¹ Billing units are based on January to December 2025 actuals.

² Totals may not add due to rounding.

Newfoundland and Labrador Hydro
Island Industrial Customers Estimated Billing Impacts
Braya Renewable Fuels
July 1, 2026

	Billing Units ¹	Unit	Current Rates	Billings at Existing Rates (\$)	Revised Rates	Revised Billings (\$)	Change (\$)	Change (%)
Demand (kW/s)	175,500	\$/kW/mo	10.73	1,883,115	10.73	1,883,115		
Energy - Firm (MWhs)	94,312	¢/kWh	4.428	4,176,157	4.428	4,176,157		
Specifically Assigned		\$	107,678	107,678	107,678	107,678		
Total Base Rate				6,166,950		6,166,950	-	0.0%
Project Cost Recovery Rider	94,312	¢/kWh	1.745	1,645,753	1.987	1,873,736	227,983	2.9%
CDM Recovery Adjustment	94,312	¢/kWh	0.006	5,659	0.007	6,602	943	0.0%
Total				7,818,362		8,047,288	228,926	2.9%

¹ Billing units are based on January to December 2025 actuals.

Newfoundland and Labrador Hydro
Island Industrial Customers Estimated Billing Impacts
Teck Resources Ltd.
July 1, 2026

	Billing Units ¹	Unit	Current Rates	Billings at		Revised Rates	Revised Billings (\$)	Change (\$)	Change (%)
				Existing Rates (\$)	Revised Rates				
Demand (kW/s)	3,000	\$/kW/mo	10.73	32,190	10.73	32,190			
Energy - Firm (MWhs)	1,111	¢/kWh	4.428	49,175	4.428	49,175			
Specifically Assigned		\$	51,789	51,789	51,789	51,789			
Total Base Rate				133,154		133,154		-	0.0%
Project Cost Recovery Rider	1,111	¢/kWh	1.745	19,379	1.987	22,064	2,685	2,685	1.8%
CDM Recovery Adjustment	1,111	¢/kWh	0.006	67	0.007	78	11	11	0.0%
Total²				152,600		155,295	2,696	2,696	1.8%

¹ Billing units are based on January to December 2025 actuals.

² Totals may not add due to rounding.

Newfoundland and Labrador Hydro
Island Industrial Customers Estimated Billing Impacts
Marathon Gold Corporation
July 1, 2026

	Billing Units ¹	Unit	Current Rates	Billings at Existing Rates (\$)	Revised Rates	Revised Billings (\$)	Change (\$)	Change (%)
Demand (kW/s)	60,066	\$/kW/mo	10.73	644,508	10.73	644,508		
Energy - Firm (MWhs)	31,294	¢/kWh	4.428	1,385,708	4.428	1,385,708		
Specifically Assigned		\$	-	-	-	-		
Total Base Rate				2,030,216		2,030,216	-	0.0%
Project Cost Recovery Rider	31,294	¢/kWh	1.745	546,084	1.987	621,732	75,648	2.9%
CDM Recovery Adjustment	31,294	¢/kWh	0.006	1,878	0.007	2,191	313	0.0%
Total				2,578,178		2,654,139	75,961	2.9%

¹ Billing units are based on January to December 2025 actuals.

Schedule 3

Island Industrial Customer Rate Sheets

July 1, 2026



INDUSTRIAL – FIRM

Availability

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy.

Base Rate*

Demand Charge

The rate for Firm Power, as defined and set out in the Industrial Service Agreements, shall be \$10.73 per kilowatt (kW) per month of billing demand.

Firm Energy Charge

Base Rate.....	@ 4.428¢ per kWh
Project Cost Recovery Rider.....	@ 1.987¢ per kWh
CDM Cost Recovery Adjustment.....	@ 0.007¢ per kWh

Specifically Assigned Charges

The table below contains the additional annual specifically assigned charges for customer plant in service that is specifically assigned to the Customer.

	Annual Amount
Corner Brook Pulp and Paper Limited	\$13,311
Braya Renewable Fuels (Newfoundland) GP Inc.	\$107,678
Teck Resources Limited	\$51,789
Vale	\$145,352

*Subject to RSP Adjustments and CDM Cost Recovery Adjustment

RSP Adjustments refers to all applicable adjustments arising from the operation of Hydro's Rate Stabilization Plan, which levelizes variations in hydraulic production, fuel cost, load and rural rates.

The CDM Cost Recovery Adjustment is updated annually to provide recovery over a ten-year period of costs charged annually to the Conservation and Demand Management (CDM) Cost Deferral Account.

Adjustment for Losses

If the metering point is on the load side of the transformer, either owned by the customer or specifically assigned to the customer, an adjustment for losses as determined in consultation with the customer prior to January 31 of each year shall be applied.

General

Details regarding the conditions of Service are outlined in the Industrial Service Agreements.

This rate schedule does not include the Harmonized Sales Tax (HST) that applies to electricity bills.

INDUSTRIAL – NON-FIRM

Availability

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy.

Rate

Non-Firm Energy Charge: Non-Thermal Generation Source (¢ per kWh)

Hydro will inform the Customer of the Non-firm energy charge on the first business day following the 21st day of the month preceding the month for which the rate is being set.

Energy charges shall be the greater of:

- (i) The energy charge applicable to Rate No. 2.4L – General Service 1,000 KVA and Over provided in Hydro’s Schedule of Rates, Rules and Regulations; and
- (ii) The applicable On-Peak Energy Rate or Off-Peak Energy Rate

The following formula shall apply to calculate the On-Peak Energy Rate and Off-Peak Energy Rate:

On-Peak Energy Rate:

The non-firm energy charge for the on-peak period for the calendar month shall be calculated monthly based on the weighted average of:

- (iii) the settlement price for NYISO Zone A Day-Ahead Peak Calendar-Month 5 MW Futures after the end of trading on the nineteenth day of the previous month, converted to Canadian dollars using the exchange rate of the same day, and adjusted for losses and other market fees; and
- (iv) the settlement price for ISO New England Mass Hub 5 MW Peak Calendar-Month Day-Ahead LMP Futures after the end of trading on the nineteenth day of the previous month, converted to Canadian dollars using the exchange rate of the same day, and adjusted for losses and other market fees.

Off-Peak Energy Rate

The non-firm energy charge for the off-peak period for the calendar month shall be calculated monthly based on the weighted average of:

- (v) the settlement price for NYISO Zone A Day-Ahead Off-Peak Calendar-Month 5 MW Futures after the end of trading on the nineteenth day of the previous month, converted to Canadian dollars using the exchange rate of the same day, and adjusted for losses and other market fees; and

**Schedule of Rates, Rules and
Regulations Industrial – Non-Firm**

- (vi) the settlement price for ISO New England Mass Hub Day-Ahead Off-Peak Calendar-Month 5 MW Futures after the end of trading on the nineteenth day of the previous month, converted to Canadian dollars using the exchange rate of the same day, and adjusted for losses and other market fees.

The weightings applied to each market price to calculate the on-peak and off-peak energy charges will reflect the percentage of kWh exports sold (i.e., including exports from regulated and non-regulated Hydro) based on each market for the previous calendar month.

Peak and Off-Peak Periods

The winter on-peak period is 7 am to 10 pm, Monday to Friday, for the months of December to March and the non-winter peak period is 8 am to 10 pm, Monday to Friday, for the period April to November. The off-peak period will include all other hours.

Non-Firm Energy Charge: Thermal Generation Source (¢ per kWh)

The following formula shall apply to calculate the Non-Firm Energy rate:

$$\{(A \div B) \times (1 \div (1 - C))\} \times 100$$

- A = the monthly average cost of fuel per barrel for the energy source in the current month or, in the month the source was last used
- B = the conversion factor for the source used (kWh/bbl)
- C = the average system losses on the Island Interconnected grid for the last five years ending in 2016 (3.34%).

The energy sources and associated conversion factors are:

- 1) Holyrood, using No. 6 fuel with a conversion factor of 583 kWh/bbl
- 2) Gas turbines using No. 2 fuel with a conversion factor of 475 kWh/bbl
- 3) Diesels using No. 2 fuel with a conversion factor of 556 kWh/bbl

Adjustment for Losses for Thermal Generation Source

If the metering point is on the load side of the transformer, either owned by the customer or specifically assigned to the customer, an adjustment for losses as determined in consultation with the customer prior to January 31 of each year shall be applied.

General

Details regarding the conditions of Service are outlined in the Industrial Service Agreements.

This rate schedule does not include the Harmonized Sales Tax (HST) that applies to electricity bills.

INDUSTRIAL – WHEELING

Availability

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy and whose Industrial Service Agreement so provides.

Rate

Energy Charge

All kWh (net of losses)* @ 0.831¢ per kWh

*For the purpose of this Rate, losses shall be 3.34%, the average system losses on the Island Interconnected Grid for the last five years ending in 2016.

General

Details regarding the conditions of Service are outlined in the Industrial Service Agreements.

This rate schedule does not include the Harmonized Sales Tax (HST) that applies to electricity bills.

Affidavit



IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 (“EPCA”) and the *Public Utilities Act, RSNL 1990*, Chapter P-47 (“Act”), and regulations thereunder; and

IN THE MATTER OF an application by Newfoundland and Labrador Hydro (“Hydro”), pursuant to Subsection 70(1) of the *Act*, for the approval of a change in the Conservation and Demand Management (“CDM”) Cost Recovery Adjustment and Project Cost Recovery Rider to be charged to Island Industrial Customers (“IIC”) effective July 1, 2026.

AFFIDAVIT

I, Dana Pope, of St. John’s in the province of Newfoundland and Labrador, make oath and say as follows:

- 1) I am Vice President, Regulatory Affairs and Stakeholder Relations for Newfoundland and Labrador Hydro, the applicant named in the attached Application.
- 2) I have read and understand the foregoing Application.
- 3) To the best of my knowledge, information, and belief, all of the matters, facts, and things set out in this Application are true.

SWORN at St. John’s in the province of Newfoundland and Labrador this 26th day of May 2026, before me:



Barrister, Newfoundland and Labrador
Witnessed through the use of audio-visual technology
in accordance with the *Commissioners for Oaths Act*
and *Commissioners for Oaths Regulations*



Dana Pope, CPA (CA), MBA