

Office of the Consumer Advocate

May 22, 2026

The Board of Commissioners of Public Utilities

Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL
A1A 5B2 Canada

Attention: Mike McNiven, Board Secretary

Dear Mr. McNiven:

Re: Newfoundland and Labrador Hydro - Application for July 1, 2026 Utility Rate Adjustments

On April 24, 2026 Newfoundland and Labrador Hydro (“Hydro”) submitted to the Public Utilities Board (the “Board”) an Application for July 1, 2026 Utility Rate Adjustments (the “Application”). On May 19, 2026 the Board established a schedule for the Application requesting the parties to submit comments by May 22, 2026. This document conveys the comments of the Consumer Advocate.

As noted in the Application (Clauses 7, 9 and 10):

“The Government of Newfoundland and Labrador (“Government”) announced the finalization of the rate mitigation plan and issued an Order in Council OC2024-062, directing Hydro 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.” This directive is for all applications up to and including the year 2030, for those customers subject to Island Interconnected rates, and applies to the application within. The rate mitigation plan, as directed in OC2024-062, requires that any additional funding required to reduce the balance in the SCVDA and achieve the 2.25% targeted rate increase come from Hydro’s own sources.”

“The Rural Rate Alteration (“RRA”) reflects additional revenue collected from Hydro’s rural customers when rates increase between Hydro’s General Rate Applications. As of February 28, 2026, the RRA component of the SCVDA reflects a credit balance of approximately \$45.0 million.”

“In correspondence dated April 22, 2026 from Government to Jennifer Williams, Chief Executive Officer of Hydro, provided within Attachment 1 to Schedule 1 to this application, Government requested that Hydro

work collaboratively with Newfoundland Power and the Board to request approval for the application of the RRA credit balance to reduce the projected July 1, 2026 rate increase from approximately 7% to the targeted 2.25% Domestic rate increase. In its letter, Government indicated that this was both reasonable and necessary given the ongoing affordability challenges facing households and businesses across the province.”

In the Application, Hydro proposes a number of adjustments to the Utility Wholesale Rate relating to the calculation of the RSP Current Plan Adjustment, the CDM Cost Recovery Adjustment, and the Project Cost Recovery Rider to achieve the target Domestic retail rate increase of 2.25% effective July 1, 2026. Hydro also proposes that the Board approve a \$45 million transfer from the SCVDA – Utility Customer to Newfoundland Power through a bill credit that will enable Hydro and Newfoundland Power to address the request from Government to deliver near-term rate relief to customers.

It is noted that Newfoundland Power’s May 14, 2026 Application for July 1, 2026 Customer Rates is consistent with Hydro’s Application requesting the target 2.25% rate increase for residential customers resulting from Hydro’s application.

As the proposed rate increase is consistent with the government rate mitigation initiatives and direct government communication, the Consumer Advocate does not oppose the Application.

Please contact the undersigned if you have any questions relating to this submission.



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