



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

July 27, 2026

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Mike McNiven
Senior Regulatory Advisor & Board Secretary

Re: Application for Exemption to Regulation 17 – Temporary Restriction for Load Additions in Labrador East and West – Town of Labrador City

Please find attached Newfoundland and Labrador Hydro's ("Hydro") application for approval of an exemption to Regulation 17, which temporarily limits load additions in Labrador East and West pursuant to Section 71 of the *Public Utilities Act*.

Hydro has received a request for service from the Town of Labrador City for service to a new gymnastics facility currently under construction, with a total estimated peak load of 300 kW. This is 100 kW in excess of the restriction.

Further detail regarding the application for service is provided in the enclosed application. Hydro believes that when considering the balance between the importance of ensuring the system is not overwhelmed to the point that delivery of reliable service is impacted, with the necessity for reasonable community infrastructure and business growth in Labrador, it is reasonable to approve the customer's request for connection. Therefore, Hydro is requesting that an exemption be made to allow approval of the application for service from the Town of Labrador City to facilitate the expansion of their community recreation facilities.

As with any application for service for the Labrador Interconnected System, a customer's application is reviewed to determine if a customer contribution is required pursuant to the Network Additions Policy. As per Section 5.1 of the Network Additions Policy, when a customer makes an application for a demand request of less than 1,500 kW, they are responsible for paying an Upstream Capacity Charge. This is calculated as the Upstream Capacity Cost less the Basic Capacity Investment Credit. Hydro is required to apply to the Board of Commissioners of Public Utilities for approval where Upstream Capacity Charge exceeds \$200,000. The calculation for the Town of Labrador City does not exceed the threshold; as such, Hydro has not applied for approval of the Town of Labrador City's contribution.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



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

Encl.

ecc:

Board of Commissioners of Public Utilities

Jacqui H. Glynn
Ryan Oake
Board General

Island Industrial Customer Group

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

Labrador Interconnected Group

Senwung F. Luk, Olthuis Kleer Townshend LLP
Nicholas E. Kennedy, Olthuis Kleer Townshend LLP

Consumer Advocate

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

Newfoundland Power Inc.

Dominic J. Foley
Douglas W. Wright
Regulatory Email

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”) for an exemption, pursuant to Section 71 of the *Act*, to Regulation 17 which limits new load additions in Labrador East and West.

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. On May 31, 2018, Hydro filed an application for approval of a proposed new regulation permitting a restriction for load additions in Labrador East pursuant to Section 71 of the *Act*. This was intended to address the forecast capacity shortfalls and reliability issues for the Labrador East System pending completion of the Muskrat Falls to Happy Valley Interconnection Project.
3. In Board Order No. P.U. 32(2018), the Board accepted that a moratorium should be implemented for the 2018–2019 winter season and ordered Hydro to file for approval a revised regulation, effective until May 30, 2019, reflecting the findings of the Board. Hydro filed a revised regulation on September 21, 2018, which was approved in Board Order No. P.U. 36(2018) (“Regulation 17”).
4. On April 23, 2019, Hydro filed an application for an extension of the effective date of Regulation 17 pending further Order from the Board. That application was approved in Board Order No. P.U. 18(2019).

5. Board Order No. P.U. 34(2019), issued on October 29, 2019, approved Hydro's request to increase the load restriction threshold from 100 kW to 200 kW and to extend the application of Regulation 17 to Labrador West.
6. On March 17, 2021, in Board Order No. P.U. 7(2021), the Board approved the *Network Additions Policy – Labrador Interconnected System* ("*Network Additions Policy*") effective April 1, 2021. The *Network Additions Policy* is intended to limit rate increases that can result from investment in new transmission assets to serve new load requests and to achieve a reasonable balance in the sharing of the benefits and the costs of new transmission investments between new and existing customers.
7. In response to the Board's query on March 23, 2021, regarding the status of Regulation 17 post approval of the *Network Additions Policy*, Hydro recommended that the existing restrictions remain in place while the system expansion needs for reliable service to customers in Labrador West and Labrador East were determined. This was due to the continued system capacity restrictions that exist in the region.¹
8. On April 19, 2024, Hydro applied to the Board for approval of an exemption to Regulation 17 for a number of customers in Labrador East. While the Board's initial approval of Regulation 17 allowed for Hydro to apply for an exemption to the regulation where there were special circumstances where it may be appropriate to approve service connections and upgrades, Hydro's April 2024 application noted that with the increased transmission capacity in Labrador East, it would be reasonable to allow some additional growth to serve the customers. Hydro did not request that Regulation 17 be lifted entirely as it is important for Hydro to monitor and manage the load growth in the region and to continue to ensure the system is not overwhelmed to the point that delivery of reliable service is impacted. The Board approved Hydro's request for exemption, while maintaining Regulation 17, in Board Order No. P.U. 14(2024).

¹ "Restriction on Load Additions on the Labrador Interconnected System – Update," Newfoundland and Labrador Hydro, April 7, 2021.

B. Current Customer Request

9. Hydro has received a request for service from the Town of Labrador City for a new gymnastics facility under construction to meet the growing demand for indoor recreational programming. The total estimated peak demand related to the application is 300 kW.
10. While the Labrador West system has not had an increase in its transmission capacity, as was the case in Labrador East, Hydro must similarly balance the importance of ensuring the system is not overwhelmed to the point that delivery of reliable service is impacted with the necessity for reasonable business growth and community infrastructure in Labrador. Therefore, Hydro is requesting that an exemption be made to provide service to the facility under construction by the Town of Labrador City, as detailed in this application.
11. Hydro has reviewed the impact of the customer connection on the Labrador West system and it does not pose concerns with respect to the continued delivery of reliable service in the region.

C. Newfoundland and Labrador Hydro's Request

12. This application requests approval of an exemption to Regulation 17, allowing Hydro to provide the service to the above noted customer.

D. Communications

13. 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 24th day of July, 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

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”) for an exemption, pursuant to Section 71 of the *Act*, to Regulation 17 which limits new load additions in Labrador East and West.

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 24th day of July, 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