

1 **IN THE MATTER OF** the *Electrical Power Control Act, 1994*,
2 *SNL 1994, Chapter E-5.1 (“EPCA”)* and the *Public Utilities Act*,
3 *RSNL 1990, Chapter P-47 (“Act”)*, and regulations thereunder; and
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6 **IN THE MATTER OF** an application by Newfoundland and
7 Labrador Hydro (“Hydro”) for approval of: (i) its capital budget
8 for 2027, pursuant to Section 41(1) of the *Act*, (ii) its
9 proposed capital purchases and construction projects for
10 2027 in excess of \$750,000, pursuant to Section 41(3)(a) of
11 the *Act*, (iii) contributions by certain Customers for
12 contributions towards the cost of improvements to certain
13 property, pursuant to Section 41(5) of the *Act*, and (iv) for
14 an Order, pursuant to Section 78 of the *Act*, fixing and
15 determining its average rate base for 2025.
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20 **CONSUMER ADVOCATE**
21 **REQUESTS FOR INFORMATION**
22 **CA-NLH-087 to CA-NLH-110**
23

24 **Issued: October 23, 2026**
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30 CA-NLH-087 (Reference: CA-NLH-038 a; CA-NLH-039 a-g; Schedule 1, Section 5.1.1) Customer
31 Cost Considerations and Capital Portfolio Decisions: In response to CA-NLH-038, Hydro
32 states that customer rate impacts are an important consideration in capital planning and
33 project prioritization, although it does not establish an overall capital expenditure target
34 or predetermined revenue requirement or rate impact constraint. Hydro also states that it
35 deferred or cancelled 26 projects representing approximately \$29.2 million in planned
36 2027 capital expenditures.
37
38 a) Please identify which of the 26 projects were deferred or cancelled, in whole or in
39 part, because of customer cost or affordability considerations, as distinct from
40 technical, operational, project readiness or execution capacity considerations.
41
42 b) For each project identified in part (a), please explain how customer cost or
43 affordability considerations influenced the decision, including any assessment of the
44 financial benefits of deferral relative to the associated reliability or operational risks.
45
46 c) Please identify whether any projects included in the 2027 CBA were reduced in
47 scope, staged or deferred in order to limit the cumulative capital expenditure or
48 customer-rate impacts of the 2027 capital portfolio. If so, please identify the projects
49 and associated expenditure reductions.
50
51 d) Please summarize and provide any analyses undertaken that considered how
52 customer cost or affordability influenced the decisions identified in parts (a) and (c).

If no such analysis was undertaken, please explain why not.

- e) Please explain whether Hydro assessed the trade-offs between customer costs/rate consequences and reliability or operational risks associated with alternative levels or timing of aggregate capital expenditures when determining the proposed level and pace of investment in its 5-Year Capital Plan. If so, please identify the alternatives considered, provide the results of those assessments and explain how they influenced the proposed capital plan. If not, please explain why not.

CA-NLH-088

(Reference: CA-NLH-022; CA-NLH-041; and CA-NLH-042) Assessment of Realized Capital Investment Benefits: In response to CA-NLH-022, Hydro identifies examples of incorporating recent capital project execution experience into the development of 2027 project cost estimates. In response to CA-NLH-041 and CA-NLH-042, Hydro indicates that it does not generally quantify or separately track the operational efficiencies and other benefits realized following completion of capital investments.

- a) Please identify whether Hydro has used assessments of the actual operational, reliability or maintenance-related benefits realized from previously completed capital investments to reduce, defer or otherwise modify the scope or level of expenditure proposed in the 2027 CBA. If yes, please identify the projects or programs affected, the benefits assessed and the resulting changes to the proposed 2027 expenditures. If not, please explain why not.
- b) With respect to the Upgrade Worst-Performing Distribution Feeders Program, please explain whether Hydro assessed the reliability improvements achieved from previously completed investments when determining the scope and expenditure level proposed for 2027. If yes, please identify the results of that assessment and explain how they influenced the 2027 proposal. If not, please explain why not.
- c) With respect to expected operating efficiencies, maintenance savings or other lifecycle benefits that are relied upon to justify a capital investment but are not subsequently measured, please explain how Hydro assesses whether those anticipated benefits were realized and whether the original assumptions remain appropriate when evaluating subsequent investments that are similar in nature.

CA-NLH-089

(Reference: CA-NLH-044 c-f; 2026 GRA, 2027 Test Year Cost of Service Study) Rate Mitigation and Class Cost Allocation: In response to CA-NLH-044, Hydro states that the rate mitigation credit is applied against overall revenue requirement and is not allocated to specific revenue requirement components, such as depreciation or return on rate base.

- a) Please explain whether the rate mitigation credit is applied before or after the allocation of Hydro's revenue requirement among customer classes in its cost-of-service and rate-setting calculations.
- b) Please identify the methodology used to allocate or assign the rate mitigation credit among customer classes, including whether the credit is allocated in proportion to class revenue requirements, assigned specifically to domestic customers, or treated on another basis. Please identify the applicable supporting calculations or COS schedules.
- c) Please provide a table with the following: i) the allocated revenue requirement to

each customer class; ii) the rate mitigation credit amount assigned to the class; and
iii) the resulting net revenue requirement or revenue to be recovered through rates
based on the 2027 Test Year COS assumptions underlying Hydro's 2026 GRA.
Please reconcile and briefly explain the class amounts to the total credit.

- d) Please explain whether the application of the rate mitigation credit changes the relative revenue responsibility of customer classes compared with the results arising from the allocation of Hydro's underlying revenue requirement under its cost-of-service methodology. If so, please quantify the differences and explain the rationale for that treatment.
- e) Please explain whether the application of the rate mitigation credit results in any change to the revenue recorded from individual customer classes, other than the direct benefit of the credit assigned to those classes. If yes, please explain the mechanism and quantify the resulting impacts by class.

CA-NLH-090

(Reference: CA-NLH-045; PUB-NLH-010; Sch 3, Holyrood Thermal Gen Station Overview) Holyrood Bridging Period – Reassessment of Cumulative Expenditures: In response to PUB-NLH-010, Hydro provides a comparison of the 2025 Hatch Capital Plan Refresh with its actual and forecast capital expenditures for Holyrood. The comparison indicates total actual and forecast capital expenditures of approximately \$181.6 million for 2025–2030, compared with approximately \$158.3 million in the 2025 Hatch Capital Plan Refresh. Hydro attributes differences partly to the high-level nature of Hatch's estimates, the exclusion of owner's costs and the challenges associated with maintaining an aging thermal facility.

- a) Please identify how much of the approximately \$23.3 million difference between the two capital expenditure forecasts is attributable to differences in estimating scope or methodology, including owner's costs, as opposed to changes in the scope, timing or estimated cost of work required to maintain Holyrood through 2030.
- b) Further to the updated capital expenditure forecasts provided in response to PUB-NLH-010, please explain whether Hydro undertook any reassessment of the cumulative capital, fuel and operating costs associated with maintaining Holyrood through the Bridging Period, including consideration of feasible alternatives. If yes, please provide the assessment and briefly discuss the conclusions. If not, please explain why not.
- c) Please explain whether the updated forecasts have resulted in any reconsideration of the scope, timing or level of sustaining capital investment proposed for Holyrood over the remaining Bridging Period. Please identify any expenditures deferred, cancelled, reduced or advanced as a result.
- d) Please identify the circumstances, including changes in forecast capital requirements, operating costs, plant condition or remaining operating duration, that would cause Hydro to reassess the overall Bridging Period strategy.

CA-NLH-091

(Reference: CA-NLH-010) For the programs and projects for which proposed expenditures are based on historical averages, please provide the proposed budget and actual expenditures for the past four years.

CA-NLH-092

(Reference: CA-NLH-011) How is Hydro's all-in marginal cost for the IIS relevant in

determining Hydro's capital expenditure plans and what role did it play in developing Hydro's 2027 CBA?

CA-NLH-093

(Reference: CA-NLH-024) The response to the request for a table showing hourly generation (MW) for the Holyrood TGS for the periods November 1, 2024 to April 30, 2025, and November 1, 2025 to April 30, 2026 provided a source reference as Hydro's Monthly Energy Supply Reports (Appendix B). Please provide the hourly data as requested.

CA-NLH-094

(Reference: CA-NLH-025) In an effort to determine if Holyrood TGS remains used and useful and if expenditures proposed in the 2027 CBA are justified, please respond to the following.

- a) Please define Hydro's short-term and long-term planning criteria, and the planning criteria applicable to the winter of 2027/28. Please explain why different planning criteria are used for the short-term versus the long-term.
- b) Assuming no prolonged LIL shortfall event, will Hydro be in a position to provide sufficient capacity and energy to the IIS in the winter of 2027/28 if none of the 3 units at Holyrood TGS are available in generation mode? If not, please identify the frequency and magnitude of expected shortfalls.
- c) Assuming no prolonged LIL shortfall event, if only Holyrood TGS Unit 3 is available in generation mode, will there be sufficient capacity and energy available to supply the IIS in the winter of 2027/28? If not, please identify the frequency and magnitude of expected shortfalls.

CA-NLH-095

(Reference: CA-NLH-031) In an effort to determine if Holyrood TGS remains used and useful and if expenditures proposed in the 2027 CBA are justified, please provide the following.

- a) The current P50 and P80 commercial-operation dates for the Avalon Combustion Turbine and Bay d'Espoir Unit 8. For each, list every Board Order authorizing early execution, the amount authorized, expenditures and commitments to date, and the remaining amount not approved.
- b) If either P80 date falls after the winter of 2029/30, please identify each 2027 Holyrood steam-related expenditure in this Application whose remaining-life assumption would then be incorrect, and the undepreciated cost of that expenditure as of March 31, 2030.

CA-NLH-096

(Reference: CA-NLH-023, CA-NLH-026 and CA-NLH-045) The tables show that Hydro spent \$789.4 million on Holyrood during the 4-year period from 2022 to 2025 (CA-NLH-023), and forecasts expenditures of \$562.5 million from 2026 through 2030 (CA-NLH-045). Therefore, during the Bridging Period (2022 through 2030), Hydro expects to spend \$1,352 million. Further, recent reliability performance at Holyrood has been poor with DAFOR in the past two years averaging 27.57% (CA-NLH-026, Table 1). In an effort to determine if: i) past expenditures Holyrood TGS have been prudent, ii) Holyrood TGS remains used and useful and iii) proposed expenditures in the 2027 CBA are warranted, please provide the following.

- a) The reason that annual expenditures going forward are expected to be much lower

1 than recent historical expenditures even as the plant gets older.

- 2
- 3 b) An assessment of the reliability benefit from maintaining Holyrood TGS in service
- 4 from 2022 to 2025 versus its environmental impact and \$789.4 million cost.
- 5
- 6 c) An evaluation of the cost and environmental impact of maintaining one, two and three
- 7 Holyrood TGS units in service in generation mode in the winter of 2027/28 versus
- 8 the reliability gain resulting from maintaining the 3 units in generation mode
- 9 considering customer willingness to pay for reliability improvements.

10

11 CA-NLH-097 (Reference: CA-NLH-033) It is stated that “*Newfoundland and Labrador Hydro*

12 (*“Hydro”*) *is not seeking approval of a metering system project in the 2027 Capital*

13 *Budget Application (“CBA”).*” The 2027 Capital Budget Overview, Appendix A, page

14 A-6 includes a Mandatory Project identified as “Purchase Meters and Metering

15 Equipment” at an estimated cost of \$737,600 in 2027. Is this a metering project? If so, in

16 an effort to determine if these meters are likely to become stranded, please respond to

17 CA-NLH-033.

18

19 CA-NLH-098 (Reference: CA-NLH-056) It is stated that “*Hydro has stated that all three units would*

20 *remain available through the Bridging Period, should they be required to mitigate*

21 *against the potential for a Labrador-Island Link bipole outage and to ensure that system*

22 *reliability remains within the acceptable limits of planning criteria.*”

23

- 24 a) Please identify each bipole outage since the LIL was declared in service, including
- 25 the date and time of the outage, the date and time the LIL was restored to service, the
- 26 amount of lost load or load shedding during the event, and the role Holyrood TGS
- 27 played during the outage including its impact on the amount of lost load or load
- 28 shedding during the event.
- 29
- 30 b) Does Hydro’s commitment to keep all 3 units available during the Bridging Period
- 31 supersede its mandate to deliver power to consumers at the lowest possible cost, in
- 32 an environmentally responsible manner, consistent with reliable service?
- 33
- 34 c) Please explain how the continued operation of all 3 units at Holyrood TGS is
- 35 consistent with Hydro’s mandate addressing its high cost, poor reliability and severe
- 36 environmental impact.
- 37

38 CA-NLH-099 (Reference: CA-NLH-058) Regarding Overhaul Generator - Unit 3 (2027) Hydro states

39 “*...if an overhaul is not completed at this time, the generator could fail while in operation.*

40 *Such failure could result in unsafe operating conditions and forced unit outages, resulting*

41 *in the loss of up to 150 MW for a period of several weeks, up to several months in*

42 *duration, depending on the magnitude of the failure.*”

43

- 44 a) Please provide an order of magnitude for the probability of a failure if the overhaul
- 45 project does not proceed.
- 46
- 47 b) If the two other units were operating, would a loss of Unit 3’s 150MW capacity cause
- 48 Hydro to fall short of its reliability target for the IIS? If so, please quantify.
- 49
- 50 c) Over each of the past two winters, 2024/2025 and 2025/26, (December 1 to March
- 51 31), how many hours has Unit 3 operated at more than 100MW?
- 52

d) What would be the cost saving over the bridging period if Holyrood Unit 3 were operated solely as a synchronous condenser following the winter of 2026/27?

CA-NLH-100

(Reference: CA-NLH-064) CA-NLH-064 references the following statement “*Due to the geographic location of TL212, this transmission line is regularly exposed to heavy salt spray and pollutant contamination from the refinery in Come By Chance.*”

a) Is there pollutant contamination from the refinery as stated? If not, please provide corrected wording for this statement. If so, please identify the pollutants and respond to CA-NLH-064.

b) If any party, whether intentionally or not, damages Hydro infrastructure or property, is it Hydro’s policy to allocate the resulting remediation cost to its customers rather than seek compensation from the party that caused the damage?

c) Has the management of the Come By Chance refinery denied that its pollutants caused damage to the transmission line?

CA-NLH-101

(Reference: CA-NLH-073) In the 2026 CBA, Hydro identified a project to widen the right of way in Gros Morne National Park in the period 2026–2028. The project was justified on the basis of reliability and safety improvements. The Board rejected the project. Are reliability and the safety of employees and the public at risk? What actions, if any, has Hydro taken to mitigate the reliability and safety concerns?

CA-NLH-102

(Reference CA-NLH-076) In light of the high cost of the Makkovik fuel tank inspections and access upgrades (at ~\$11,000 per customer):

a) Has Hydro considered reducing the need for all four fuel storage tanks by pairing the diesel plant with a BESS or installing batteries behind customers’ meters or other means of reducing diesel plant fuel consumption?

b) Based on past experience, and considering that the largest tank was installed in 2019, have all four tanks been needed or is one possibly redundant or could be made redundant with conservation measures or other means?

CA-NLH-103

(References: CA-NLH-080 pp2-4 and Attachment 3 p4; Volume II, Project 1 pp11-12) Provide the fall 2026 MD-1 inspections, boil measurements and piezometer data identified in CA-NLH-080, or their expected availability dates, with Hydro’s engineering interpretation. Reconcile the differing boil-trend descriptions and explain the interim action thresholds and remediation sequence through 2030. Identify the scope and estimate update, approval and Board-reporting steps planned after design and before awarding the construction contract.

CA-NLH-104

(References: CA-NLH-018; PUB-NLH-011; PUB-NLH-012; PUB-NLH-022) For the proposed Holyrood overhauls, MD-1 refurbishment and Bay d’Espoir line depot, provide the latest estimate support, risk reviews, readiness assessments and schedules. Identify material scope or pricing uncertainties, the basis for contingency, and unresolved procurement, resource, outage or site constraints. Explain their treatment and effects on cost and completion. Reconcile the Holyrood outage dates and durations in PUB-NLH-011 and show how the work fits within the corrected windows.

CA-NLH-105

(References: CA-NLH-040 pp1-3; CA-NLH-053 p1; Schedule 1 pp35-36, Table 10)

Provide the existing calculations supporting the \$7.6 million and \$12.1 million revenue-requirement estimates and the percentages in Schedule 1, Table 10, at the level of detail used. Identify the expenditure base, in-service timing, depreciation, return and allocation assumptions. Update the illustration for changes to the approval sought.

CA-NLH-106 (References: CA-NLH-062 p2 and Attachment 1 pp2-3. PUB basis: Appendix A III Asset History, Scope and Budget, p14; Asset Condition, p15; Additional Supporting Documentation, p17) Provide the findings and status of the investigation into renewed Unit 1 valve sticking on April 17, 2025, including corrective work and verification of satisfactory operation. Identify any resulting work and cost within the proposed 2027 overhaul, and explain the treatment of amounts recovered or recoverable from the previous contractor.

CA-NLH-107 (References: CA-NLH-061 p2; CA-NLH-046 p3; Volume II, Project 2 pp2,6) For the \$4.410 million boiler internal-component amount, distinguish identified work from provision for future findings. Show the cost and expected service period of identified work, and how 2024-2025 actual costs support that amount. Explain how it differs from contingency and in-service-failure funding, and what approval and reporting controls apply if the assessment changes the scope.

CA-NLH-108 (References: PUB-NLH-034 p2; PUB-NLH-015 p2; PUB-NLH-009 p2; Volume I, Program 6) Provide the current 2027 diesel renewal list, showing each unit's proposed overhaul or replacement, cost, and expenditure incurred or forecast under earlier programs. Reconcile the list, including Rigolet Unit 2101, to the \$3.642 million request. Provide the calculations supporting the least-cost choices, identifying intervention lives, timing and failure or rework costs, and explain how the comparisons in PUB-NLH-034 apply to the proposed units.

CA-NLH-109 (References: CA-NLH-010 Table 1; CA-NLH-013 pp1-2; CA-NLH-066 p1; PUB-NLH-033 p1; CA-NLH-083 pp2-3; PUB-NLH-029 pp1-2; Volume I, Program 1 p15 Table 8, Program 2 pp5-6 and Program 3 pp2-4) For the historical-average programs in CA-NLH-010, provide the calculations reconciling historical costs to the proposed 2027 budgets, including exclusions, activity or scope adjustments, escalation and previously approved expenditure. Provide the basis for current escalation assumptions and material contingency increases elsewhere in the CBA, distinguishing risks covered from amounts included in base estimates.

CA-NLH-110 (References: CA-NLH-038 p2; CA-NLH-039 pp2-5; CA-NLH-021(c)-(d); CA-NLH-042 pp2-3) Assuming 2027 expenditure under this Application were limited to 90% of the revised request, identify Hydro's preferred package and priority order of scope reductions, staging or deferrals. Show the 2027 expenditure reductions separately from later expenditure and lifecycle-cost effects. Explain material service, safety and environmental consequences, dependencies and cumulative risks, distinguishing existing commitments. If Hydro considers this scenario incompatible with its service obligations, identify the largest feasible reduction and provide the evidence supporting the limiting constraints.

DATED at St. John's, Newfoundland and Labrador, this 23rd day of October, 2026.

Per:



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