

May 14, 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: Application for July 1, 2026 Customer Rates

On April 24, 2026, Newfoundland and Labrador Hydro (“Hydro”) filed an application to revise the wholesale rate it charges to Newfoundland Power Inc. (“Newfoundland Power” or the “Company”), effective July 1, 2026. Hydro’s application results in an overall average rate increase of 2.3% for Newfoundland Power’s customers, which includes a 2.25% rate increase for residential customers consistent with Order in Council OC2024-062.

Hydro’s application also proposes to dispose of the balance owing to Newfoundland Power in Hydro’s Rural Rate Alteration (“RRA”) account at February 28, 2026 of \$45.0 million.¹ The RRA account credit is to be applied to the Company’s Rate Stabilization Account to limit the customer rate impacts effective July 1, 2026 to those resulting from Hydro’s application.

Newfoundland Power fully supports the use of the RRA account to limit the overall average customer rate increase on July 1, 2026 to 2.3%. The approach is consistent with the direction provided by the Government of Newfoundland and Labrador to Hydro on April 22, 2026 and the intended purpose of the RRA account; accordingly, it is in the best interest of customers.

The enclosed application of Newfoundland Power (the “Application”) requests a customer rate change effective July 1, 2026 based upon an updated Rate Stabilization Adjustment and Municipal Tax Adjustment factor, which incorporates the proposals in Hydro’s application. Accordingly, the overall average impact on customer rates based on the proposal in the Application is an increase of 2.3%, which includes an average increase of 2.25% for residential customers.

¹ Newfoundland Power has confirmed with Hydro that the \$45.0 million referenced in its April 24, 2026 application is the February 28, 2026 RRA account balance of \$45,034,736.

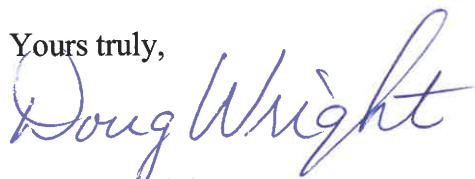
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Further details of the proposed changes to existing customer rates can be found in the report *Proposed Changes to Customer Rates* included as Schedule 1 to the Application.

In order to facilitate timely implementation of the customer rates proposed in this Application, the Company is submitting this Application in advance of the Board issuing an order on Hydro's application.

We trust that the foregoing and enclosed are found to be in order. If you have any questions, please feel free to contact the undersigned.

Yours truly,



Douglas Wright
Senior Legal Counsel

Enclosure

ec. Shirley Walsh
Newfoundland and Labrador Hydro

Adrienne Ding
O'Dea Earle Law Offices

Newfoundland Power Inc.

55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6

PHONE (709) 737-5500 ext. 6211 • FAX (709) 737-2974 • dwright@newfoundlandpower.com

IN THE MATTER OF the *Public Utilities Act*, R.S.N.L. 1990, Chapter P-47, as amended, (the “Act”); and

IN THE MATTER OF an application pursuant to section 70 of the Act (the “Application”) by Newfoundland Power Inc. (“Newfoundland Power”) for approval of customer electricity rates (“Customer Rates”) to be effective on July 1, 2026.

TO: The Board of Commissioners of Public Utilities (the “Board”)

THE APPLICATION OF Newfoundland Power SAYS THAT:

A. Background

1. Newfoundland Power is a corporation duly organized and existing under the laws of the Province of Newfoundland and Labrador, is a public utility within the meaning of the Act, and is subject to the provisions of the *Electrical Power Control Act, 1994* (the “EPCA”).
2. The Act provides that the Board has the general supervision of public utilities and requires that a public utility, in effect, submit for the approval of the Board the rates, tolls and charges for the service provided by the public utility and the rules and regulations which relate to that service.
3. By Order No. P.U. 34 (1985), the Board approved Newfoundland Power’s establishment of a Rate Stabilization Account (“RSA”). The Rate Stabilization Clause included in Newfoundland Power’s *Schedule of Rates, Rules & Regulations* provides for the calculation of the balance in the RSA and the inclusion of a Rate Stabilization Adjustment in the rates charged by Newfoundland Power.
4. By Order No. P.U. 17 (1987), the Board ordered that municipal taxes no longer be included as an expense in the determination of revenue requirement but collected through a Municipal Tax Adjustment (“MTA”) factor included in the rates of Newfoundland Power. The Municipal Tax Clause included in Newfoundland Power’s *Schedule of Rates, Rules & Regulations* provides for the calculation of the MTA factor.
5. On April 24, 2026, Newfoundland and Labrador Hydro (“Hydro”) filed an application proposing to increase the utility rate effective July 1, 2026, targeting a 2.25% customer rate increase to the domestic rate class, consistent with Order in Council OC2024-062. Hydro’s application includes revisions to its Rate Stabilization Plan Current Plan Adjustment, Conservation and Demand Management Cost Recovery Adjustment, and

Project Cost Recovery Rider (collectively, the “Wholesale Rate Adjustments”).

6. Hydro’s application also proposes to dispose of the balance owing to Newfoundland Power in Hydro’s Rural Rate Alteration (“RRA”) account at February 28, 2026 of \$45,034,736. Hydro proposes to dispose of the \$45,034,736 RRA account balance by providing a bill credit to Newfoundland Power on the May 2026 wholesale electricity bill. Newfoundland Power is to apply the \$45,034,736 bill credit to its RSA and limit the customer rate impacts effective July 1, 2026 to those resulting from Hydro’s application. Hydro’s proposal is consistent with the direction provided by the Government of Newfoundland and Labrador in its correspondence to Hydro dated April 22, 2026.

B. The Rate Stabilization Adjustment

7. The Rate Stabilization Adjustment is to be recalculated on July 1st of each year to reflect the accumulated balance in the RSA as of March 31st of the current year and any change in the utility rate charged by Hydro to Newfoundland Power as a result of revisions to Hydro’s Wholesale Rate Adjustments.
8. The current Rate Stabilization Clause and the Rate Stabilization Adjustment of 1.910 ¢/kWh included in Newfoundland Power’s Customer Rates for the period July 1, 2025 to June 30, 2026 were approved by the Board in Order No. P.U. 23 (2025).
9. Newfoundland Power reduced the RSA balance at March 31, 2025 to be included in the Rate Stabilization Adjustment outlined in paragraph 8 by \$70,000,000 to provide for an overall average customer rate increase effective July 1, 2025 of 7.0%. In accordance with Order No. P.U. 23 (2025), the unrecovered RSA balance of \$70,000,000 has been maintained in the RSA to be recovered over the period 2026 to 2028 pursuant to further order of the Board.
10. The RSA balance at March 31, 2026 is \$80,990,982. After adjustment for the RRA account bill credit and update of the MTA factor, an unrecovered RSA balance of \$34,750,000 is required to be maintained in the RSA for future recovery to achieve the target 2.25% increase for residential customers resulting from Hydro’s application.

C. The Municipal Tax Adjustment

11. The current Municipal Tax Clause was approved by the Board in Order No. P.U. 18 (2004). The MTA factor is to be recalculated on July 1st of each year to reflect taxes charged to Newfoundland Power by municipalities.
12. The MTA factor of 1.02458 included in Newfoundland Power’s Customer Rates for the period July 1, 2025 to June 30, 2026 was approved by the Board in Order No. P.U. 23 (2025).

D. Schedules to the Application

13. Schedule 1 to this Application outlines the methodology used by Newfoundland Power to modify its Customer Rates for the recalculated Rate Stabilization Adjustment and MTA factor.
14. Schedule 2 presents the calculation of the Rate Stabilization Adjustment of 2.283 ¢/kWh proposed in the Application to be used by Newfoundland Power in billing customers for the period July 1, 2026 to June 30, 2027.
15. Schedule 3 presents the calculation of the MTA factor of 1.02365 proposed in the Application to be used by Newfoundland Power in billing customers for the period July 1, 2026 to June 30, 2027.
16. Schedule 4 sets out the Customer Rates proposed by Newfoundland Power to be effective on all electrical consumption on and after July 1, 2026.

E. Reasons for Approval

17. Approval by the Board of: (i) the Rate Stabilization Adjustment; (ii) the MTA factor; and (iii) the Customer Rates, all as proposed in the Application will permit cost recovery as provided for, and intended by, the Act, the EPCA and the Orders of the Board as set out in the Application.

F. Order Requested

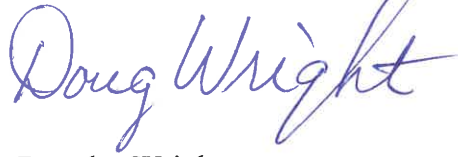
18. Newfoundland Power requests that the Board approve:
 - (i) the Rate Stabilization Adjustment of 2.283 ¢/kWh and the MTA factor of 1.02365 as set out in Schedules 2 and 3 to the Application, to be applied to all bills based on electrical consumption on and after July 1, 2026;
 - (ii) an unrecovered RSA balance of \$34,750,000 be maintained in the RSA until it is fully recovered by June 30, 2028 as contemplated by Order No. P.U. 23 (2025) and in accordance with the normal operation of the Rate Stabilization Clause; and
 - (iii) pursuant to Section 70(1) of the Act, the schedule of rates, tolls and charges to be effective on all electrical consumption on and after July 1, 2026 as set out in Schedule 4 to the Application.

G. Communications

19. Communications with respect to the Application should be sent to Douglas Wright, Senior Legal Counsel to Newfoundland Power.

DATED at St. John's, Newfoundland and Labrador, this 14th day of May, 2026.

NEWFOUNDLAND POWER INC.



Douglas Wright
Senior Legal Counsel to Newfoundland Power Inc.
P.O. Box 8910
55 Kenmount Road
St. John's, NL A1B 3P6

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Fax: (709) 737-2974

Email: dwright@newfoundlandpower.com

IN THE MATTER OF the *Public Utilities Act*, R.S.N.L. 1990, Chapter P-47, as amended, (the “Act”); and


IN THE MATTER OF an application pursuant to section 70 of the Act (the “Application”) by Newfoundland Power Inc. for approval of customer electricity rates to be effective on July 1, 2026.

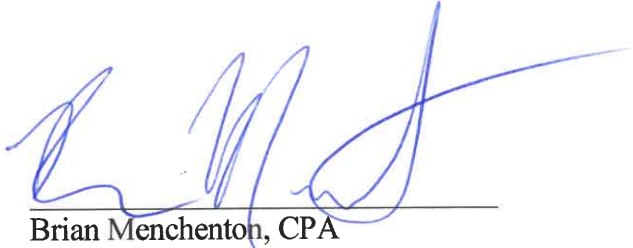
AFFIDAVIT

I, Brian Menchenton, of the City of St. John’s, in the Province of Newfoundland and Labrador, Chartered Professional Accountant, make oath and say as follows:

1. THAT I am the Director, Business and Regulatory Affairs of Newfoundland Power Inc.
2. THAT I have read and understand the foregoing Application.
3. THAT to the best of my knowledge, information and belief, all matters, facts and things set out in the Application are true.

SWORN TO before me at St. John’s in the Province of Newfoundland and Labrador this 14th day of May 2026:


Barrister


Brian Menchenton, CPA

Proposed Changes to Customer Rates

July 1, 2026

Whenever. Wherever.
We'll be there.



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1.0 Background

Newfoundland Power Inc.'s ("Newfoundland Power" or the "Company") electricity rates ("Customer Rates") are adjusted each year, effective July 1st. The annual adjustment to Customer Rates is required to incorporate: (i) an updated Rate Stabilization Adjustment; and (ii) an updated Municipal Tax Adjustment ("MTA") factor.¹

Current Customer Rates reflect a Rate Stabilization Adjustment of 1.910 ¢/kWh and an MTA factor of 1.02458. Newfoundland Power's current customer rates were established by the Board of Commissioners of Public Utilities (the "Board") in Order No. P.U. 23 (2025) and became effective July 1, 2025.

The annual July 1st rate adjustment corresponds with the annual change to the wholesale electricity rate (the "Utility Rate") charged by Newfoundland and Labrador Hydro ("Hydro") to Newfoundland Power. The Utility Rate is adjusted each July 1st as a result of the operation of Hydro's Rate Stabilization Plan, its Conservation and Demand Management Cost Recovery Adjustment and its Project Cost Recovery Rider (collectively, the "Wholesale Rate Adjustments").²

On April 24, 2026, Hydro filed an application to revise the Utility Rate effective July 1, 2026. The application includes revisions to each of its Wholesale Rate Adjustments and results in an overall average customer rate increase of 2.3%, which includes a 2.25% rate increase for residential customers consistent with Order in Council OC2024-062.³

Hydro's application also proposes to dispose of the balance owing to Newfoundland Power in Hydro's Rural Rate Alteration ("RRA") account at February 28, 2026 of \$45,034,736. Hydro proposes to dispose of the \$45,034,736 RRA account balance by providing a bill credit to Newfoundland Power on the May 2026 wholesale electricity bill. Newfoundland Power is to apply the \$45,034,736 bill credit to its Rate Stabilization Account ("RSA") and limit the customer rate impacts effective July 1, 2026 to those resulting from Hydro's application. Hydro's proposal is consistent with the direction provided by the Government of Newfoundland and Labrador in its correspondence to Hydro dated April 22, 2026.⁴

Newfoundland Power's application requests a customer rate change effective July 1, 2026 based upon an updated Rate Stabilization Adjustment and MTA factor (the "Application"), which incorporates the proposals in Hydro's application. The overall average impact on Customer Rates as a result of the Application is an increase of 2.3%, which includes an average increase of 2.25% for residential customers.

¹ See the Rate Stabilization Clause and the Municipal Tax Clause in Newfoundland Power's *Schedule of Rates, Rules & Regulations*, effective July 1, 2025.

² The Utility Rate consists of: (i) a base rate and (ii) the Wholesale Rate Adjustments.

³ On May 7, 2024, the Government of Newfoundland and Labrador issued Order in Council OC2024-062 requiring Hydro to structure its applications for utility rate increases such that the retail rate increases to domestic rate class customers attributable to Hydro's costs are targeted at 2.25% per year up to and including 2030.

⁴ See Hydro's *Application for July 1, 2026 Utility Rate Adjustments*, Schedule 1, Attachment 1, pages 4-5.

2.0 Rate Stabilization Adjustment

The principal purpose of the Rate Stabilization Adjustment is to ensure variations in the Company's purchased power costs from the amount reflected in base customer rates are recovered in a timely manner.⁵

The Rate Stabilization Clause included in Newfoundland Power's *Schedule of Rates, Rules & Regulations* provides for the calculation of the Rate Stabilization Adjustment. The Rate Stabilization Adjustment is to be recalculated on July 1st of each year to reflect any change in Hydro's Wholesale Rate Adjustments and the accumulated balance in Newfoundland Power's RSA as of March 31st of the current year.

The determination of the Rate Stabilization Adjustment is also subject to Board orders.⁶ The current Rate Stabilization Adjustment approved by the Board in Order No. P.U. 23 (2025) includes a \$70.0 million credit adjustment, which limited the July 1, 2025 average customer rate change to 7.0%. In accordance with Order No. P.U. 23 (2025), the unrecovered RSA balance of \$70,000,000 has been maintained in the RSA to be recovered over the period 2026 to 2028 pursuant to further order of the Board.

The Application proposes a Rate Stabilization Adjustment of 2.283 ¢/kWh to be effective July 1, 2026 as set out in Schedule 2 to the Application.

Table 1 provides a breakdown of the proposed Rate Stabilization Adjustment and compares it to the existing adjustment.

**Table 1:
Proposed Rate Stabilization Adjustment
(¢/kWh)**

| | Existing | Change | Proposed |
|---|-----------------|---------------|-----------------|
| Hydro's Wholesale Rate Adjustments ⁷ | 1.904 | 0.358 | 2.262 |
| March 31 st RSA Balance | 0.006 | 0.015 | 0.021 |
| Total | 1.910 | 0.373 | 2.283 |

The change in Hydro's Wholesale Rate Adjustments results in a 0.358 ¢/kWh increase in the proposed Rate Stabilization Adjustment. The increase provides for a 2.25% rate increase for residential customers, consistent with Order in Council OC2024-062.⁸

⁵ Essentially all of the \$114.2 million in current Rate Stabilization Adjustment billings relates to the recovery of purchased power costs.

⁶ See paragraph 6 of the Rate Stabilization Clause.

⁷ Hydro's total Wholesale Rate Adjustments to Newfoundland Power of 2.266 ¢/kWh proposed in its *Application for July 1, 2026 Utility Rate Adjustments* translates to a 2.262 ¢/kWh Rate Stabilization Adjustment impact for Newfoundland Power customers. The 0.004 ¢/kWh difference exists because Hydro's Wholesale Rate Adjustments are computed using Hydro energy sales to Newfoundland Power while Newfoundland Power's Rate Stabilization Adjustment is computed using Newfoundland Power energy sales to customers.

⁸ See Schedule 2 of Hydro's *Application for July 1, 2026 Utility Rate Adjustments*.

Table 2 provides a breakdown of the impact of the change in the recovery of the RSA balance on the proposed Rate Stabilization Adjustment.

**Table 2:
Rate Stabilization Adjustment – March 31st RSA Balance Impact**

| | | March 31, 2026 | March 31, 2025 |
|--|------------------|------------------------------|-----------------------|
| Balance in RSA (\$) | | 80,990,982 | 70,374,636 |
| RRA account bill credit (\$) | | (45,034,736) | - |
| RSA balance withheld (\$) | | (34,750,000) | (70,000,000) |
| Net RSA balance recovered (\$) | A | 1,206,246 | 374,636 |
| Energy sales (kWh) | B | 5,840,094,000 | 5,830,239,000 |
| Rate Stabilization Adjustment impact (¢/kWh) | C = A / B | 0.021 | 0.006 |
| Difference (¢/kWh) | | 0.021 – 0.006 = 0.015 | |

The RSA balance at March 31, 2026 is approximately \$81.0 million. After adjustment for the RRA account bill credit and update of the MTA factor, an unrecovered RSA balance of \$34,750,000 is required to be maintained in the RSA for future recovery to achieve the target 2.25% increase for residential customers resulting from Hydro's application.⁹

The Application proposes that the unrecovered RSA balance of \$34,750,000 be maintained in the RSA until it is fully recovered by June 30, 2028 as contemplated by Order No. P.U. 23 (2025) and in accordance with the normal operation of the Rate Stabilization Clause.¹⁰

3.0 MTA Factor

The Municipal Tax Clause included in Newfoundland Power's *Schedule of Rates, Rules & Regulations* provides for the calculation of the MTA factor. The MTA factor is to be recalculated on July 1st of each year to reflect taxes charged to Newfoundland Power by municipalities.

Customer Rates currently reflect an MTA factor of 1.02458. The Company is proposing an MTA factor of 1.02365 to be effective July 1, 2026.

Schedule 3 to the Application sets out the calculation of the proposed MTA factor.

⁹ The \$34.8 million withheld amount is largely in line with the \$29.0 million anticipated withheld amount at the time of the July 1, 2025 customer rate adjustment.

¹⁰ The \$34.8 million unrecovered balance, with associated RSA interest, translates to an estimated average customer rate impact of 3.9% for July 1, 2027. This impact, combined with the annual 2.3% average customer rate impact of Hydro's annual Wholesale Rate Adjustments, provides for an estimated 6.2% customer rate increase for July 1, 2027. This rate projection does not include the disposition of any future credit balance in Hydro's RRA account owing to Newfoundland Power. It is expected, however, that the RRA will accumulate further credits subsequent to February 28, 2026 that could be used to reduce the estimated customer rate increase for July 1, 2027. In Newfoundland Power's view, additional credits accumulated in Hydro's RRA account should be used to reduce the July 1, 2027 projected customer rate increase.

4.0 Proposed Customer Rates

Appendix A to this report shows the conversion of base rates to Customer Rates.¹¹ The proposed Customer Rates include the proposed Rate Stabilization Adjustment of 2.283 ¢/kWh and the proposed MTA factor of 1.02365.

In converting base rates to Customer Rates, the Rate Stabilization Adjustment has been applied to the energy charges in each rate classification. The MTA factor is applied to all rate components. The calculation of final rates also incorporates a calculation to account for the effect of the early payment discount.

Appendix B to this report provides a summary of existing and proposed Customer Rates.

5.0 Customer Rate Impact

Table 3 shows a reconciliation of existing customer billings to proposed customer billings.

**Table 3:
Reconciliation of Customer Billings
(\$000s)**

| | 2026 Existing Customer Billings | RSA/MTA Adjustment | 2026 Proposed Customer Billings |
|--------------------|--|-------------------------------|--|
| Revenue from Rates | 806,673 | - | 806,673 |
| RSA | 114,158 | 22,294 | 136,452 |
| MTA | 22,521 | (288) | 22,233 |
| Customer Billings | 943,352 | 22,006 | 965,358 |
| Change | | | 22,006 |
| Change (%) | | | 2.3% |

The impact on Customer Rates of the change in the Rate Stabilization Adjustment and the MTA factor is an average increase of 2.3%, reflecting Hydro's updated Wholesale Rate Adjustments.

Individual customer impacts will vary depending on usage.

Appendix C to this report provides the average customer impacts by rate class.

¹¹ The current base rates reflect Newfoundland Power's 2026 test year revenue requirement which was approved by the Board in Order No. P.U. 23 (2025).

Newfoundland Power Inc.
Conversion of Base Rates to Customer Rates¹

| Rate Class A | Base Rate B | Calculation C | Customer Rate D |
|---|--------------------|---|--------------------|
| Rate #1.1: Domestic Service | | | |
| Basic Customer Charge (B.C.C.) | | | |
| Not Exceeding 200 Amp Service | \$16.96 | $\$16.96 \times (1 - 0.015) \times 1.02365 \times [1 / (1 - 0.015)]$ | \$17.36 |
| Exceeding 200 Amp Service | \$21.84 | Final Not Exceeding 200 Amp Service B.C.C. plus \$5 | \$22.36 |
| Energy Charge - All kilowatt hours (¢/kWh) | 12.909 | $[12.909 \times (1 - 0.015) + 2.283] \times 1.02365 \times [1 / (1 - 0.015)]$ | 15.587 |
| Minimum Monthly Charge | | | |
| Not Exceeding 200 Amp Service | \$16.96 | Same as B.C.C. | \$17.36 |
| Exceeding 200 Amp Service | \$21.84 | Same as B.C.C. | \$22.36 |
| Rate #1.1S: Domestic Seasonal - Optional | | | |
| Basic Customer Charge (B.C.C.) | | | |
| Not Exceeding 200 Amp Service | \$16.96 | Same as Rate 1.1 B.C.C. | \$17.36 |
| Exceeding 200 Amp Service | \$21.84 | Same as Rate 1.1 B.C.C. | \$22.36 |
| Energy Charge (¢/kWh) | | | |
| Winter Seasonal | 13.862 | Same as Rate 1.1 Customer Energy Charge + 0.953 | 16.540 |
| Non-Winter Seasonal | 11.612 | Same as Rate 1.1 Customer Energy Charge - 1.297 | 14.290 |
| Minimum Monthly Charge | | | |
| Not Exceeding 200 Amp Service | \$16.96 | Same as B.C.C. | \$17.36 |
| Exceeding 200 Amp Service | \$21.84 | Same as B.C.C. | \$22.36 |
| Rate #2.1: General Service 0-100 kW | | | |
| Basic Customer Charge (B.C.C.) | | | |
| Un-Metered | \$13.75 | Final B.C.C Single Phase minus \$8 | \$14.07 |
| Single Phase | \$21.56 | $\$21.56 \times (1 - 0.015) \times 1.02365 \times [1 / (1 - 0.015)]$ | \$22.07 |
| Three Phase | \$33.27 | Final B.C.C Single Phase plus \$12 | \$34.07 |
| Demand Charge (per kW) | | | |
| Winter | \$10.27 | Other Demand Charge plus \$2.50 | \$10.52 |
| Other | \$7.83 | $\$7.83 \times (1 - 0.015) \times 1.02365 \times [1 / (1 - 0.015)]$ | \$8.02 |
| Energy Charge (¢/kWh) | | | |
| First 3,500 kWh | 12.759 | $[12.759 \times (1 - 0.015) + 2.283] \times 1.02365 \times [1 / (1 - 0.015)]$ | 15.433 |
| All Excess kWh | 9.586 | $[9.586 \times (1 - 0.015) + 2.283] \times 1.02365 \times [1 / (1 - 0.015)]$ | 12.185 |
| Maximum Energy Charge (¢/kWh) | 22.158 + B.C.C. | $[22.158 \times (1 - 0.015) + 2.283] \times 1.02365 \times [1 / (1 - 0.015)]$ | 25.055 + B.C.C. |
| Minimum Monthly Charge | | | |
| Un-Metered | \$13.75 | Same as B.C.C. Un-Metered | \$14.07 |
| Single Phase | \$21.56 | Same as B.C.C. Single Phase | \$22.07 |
| Three Phase | \$33.27 | Same as B.C.C. Three Phase | \$34.07 |

¹ Customer Rates calculated based upon RSA and MTA Factor effective July 1, 2026.

Newfoundland Power Inc.
Conversion of Base Rates to Customer Rates¹

| Rate Class A | Base Rate B | Calculation C | Customer Rate D |
|--|--------------------|---|--------------------|
| Rate #2.3: General Service 110-1000 kVA | | | |
| Basic Customer Charge (B.C.C.) | \$52.42 | $\$52.42 \times (1 - 0.015) \times 1.02365 \times [1 / (1 - 0.015)]$ | \$53.66 |
| Demand Charge (per kVA) | | | |
| Winter | \$8.59 | Other Demand Charge plus \$2.50 | \$8.80 |
| Other | \$6.15 | $\$6.15 \times (1 - 0.015) \times 1.02365 \times [1 / (1 - 0.015)]$ | \$6.30 |
| Energy Charge (¢/kWh) | | | |
| First 150 kWh/kVA of billing demand (max. 50,000 kWh) | 10.855 | $[10.855 \times (1 - 0.015) + 2.283] \times 1.02365 \times [1 / (1 - 0.015)]$ | 13.484 |
| All Excess kWh | 8.755 | $[8.755 \times (1 - 0.015) + 2.283] \times 1.02365 \times [1 / (1 - 0.015)]$ | 11.335 |
| Maximum Energy Charge (¢/kWh) | 22.158 + B.C.C. | $[22.158 \times (1 - 0.015) + 2.283] \times 1.02365 \times [1 / (1 - 0.015)]$ | 25.055 + B.C.C. |
| Minimum Monthly Charge | \$52.42 | Same as B.C.C. | \$53.66 |
| Rate #2.4: General Service 1000 kVA and Over | | | |
| Basic Customer Charge (B.C.C.) | \$91.35 | $\$91.35 \times (1 - 0.015) \times 1.02365 \times [1 / (1 - 0.015)]$ | \$93.51 |
| Demand Charge (per kVA) | | | |
| Winter | \$8.21 | Other Demand Charge plus \$2.50 | \$8.41 |
| Other | \$5.77 | $\$5.77 \times (1 - 0.015) \times 1.02365 \times [1 / (1 - 0.015)]$ | \$5.91 |
| Energy Charge (¢/kWh) | | | |
| First 75,000 kWh | 10.468 | $[10.468 \times (1 - 0.015) + 2.283] \times 1.02365 \times [1 / (1 - 0.015)]$ | 13.088 |
| All Excess kWh | 8.669 | $[8.669 \times (1 - 0.015) + 2.283] \times 1.02365 \times [1 / (1 - 0.015)]$ | 11.247 |
| Maximum Energy Charge (¢/kWh) | 22.158 + B.C.C. | $[22.158 \times (1 - 0.015) + 2.283] \times 1.02365 \times [1 / (1 - 0.015)]$ | 25.055 + B.C.C. |
| Minimum Monthly Charge | \$91.35 | Same as B.C.C. | \$93.51 |

¹ Customer Rates calculated based upon RSA and MTA Factor effective July 1, 2026.

Newfoundland Power Inc.

Conversion of Base Rates to Customer Rates¹

| Rate Class A | Base Rate B | Monthly kWh C | Calculation D | Customer Rate E |
|--|----------------|---------------------|---|--------------------|
| Rate #4.1: Street and Area Lighting Service² | | | | |
| <i>High Pressure Sodium</i> | | | | |
| HPS 100 W Sentinel/Standard | \$19.27 | 38 | $[19.27 + (38 \times 2.283 \text{ ¢/kWh})] \times 1.02365$ | \$20.61 |
| HPS 100 W Post Top | \$20.54 | 38 | $[20.54 + (38 \times 2.283 \text{ ¢/kWh})] \times 1.02365$ | \$21.91 |
| HPS 150 W Sentinel/Standard | \$24.02 | 60 | $[24.02 + (60 \times 2.283 \text{ ¢/kWh})] \times 1.02365$ | \$25.99 |
| HPS 250 W Sentinel/Standard | \$34.18 | 105 | $[34.18 + (105 \times 2.283 \text{ ¢/kWh})] \times 1.02365$ | \$37.44 |
| HPS 400 W Sentinel/Standard | \$47.95 | 163 | $[47.95 + (163 \times 2.283 \text{ ¢/kWh})] \times 1.02365$ | \$52.89 |
| <i>Light Emitting Diode</i> | | | | |
| LED 100 W Sentinel/Standard | \$16.92 | 18 | $[16.92 + (18 \times 2.283 \text{ ¢/kWh})] \times 1.02365$ | \$17.74 |
| LED 150 W Sentinel/Standard | \$20.13 | 28 | $[20.13 + (28 \times 2.283 \text{ ¢/kWh})] \times 1.02365$ | \$21.26 |
| LED 250 W Sentinel/Standard | \$24.71 | 40 | $[24.71 + (40 \times 2.283 \text{ ¢/kWh})] \times 1.02365$ | \$26.23 |
| LED 400 W Sentinel/Standard | \$29.42 | 55 | $[29.42 + (55 \times 2.283 \text{ ¢/kWh})] \times 1.02365$ | \$31.40 |
| Poles | | | | |
| Wood | \$6.58 | | 6.58×1.02365 | \$6.74 |
| 30' Concrete or Metal | \$8.99 | | 8.99×1.02365 | \$9.20 |
| 45' Concrete or Metal | \$14.86 | | 14.86×1.02365 | \$15.21 |
| 25' Concrete or Metal, Post Top | \$6.26 | | 6.26×1.02365 | \$6.41 |
| Underground Wiring (per run) | | | | |
| All sizes and types of fixtures | \$15.00 | | 15.00×1.02365 | \$15.35 |

¹ Customer Rates calculated based upon RSA and the MTA Factor effective July 1, 2026.

² Early payment discount does not apply to Street and Area Lighting rates.

NEWFOUNDLAND POWER INC.

Summary of Existing and Proposed Customer Rates
(Includes Municipal Tax and Rate Stabilization Adjustments)

| | <u>July 1, 2025</u> <u>Existing Rates</u> | <u>July 1, 2026</u> <u>Proposed Rates</u> |
|------------------------------------|--|--|
| <u>Domestic - Rate #1.1</u> | | |
| Basic Customer Charge | | |
| Not Exceeding 200 Amp Service | \$17.38/month | \$17.36/month |
| Exceeding 200 Amp Service | \$22.38/month | \$22.36/month |
| | | |
| Energy Charge - All kilowatt hours | 15.213 ¢/kWh | 15.587 ¢/kWh |
| | | |
| Minimum Monthly Charge | | |
| Not Exceeding 200 Amp Service | \$17.38/month | \$17.36/month |
| Exceeding 200 Amp Service | \$22.38/month | \$22.36/month |
| | | |
| Prompt Payment Discount | 1.5% | 1.5% |
| | | |
| <u>Domestic - Rate #1.1S</u> | | |
| Basic Customer Charge | | |
| Not Exceeding 200 Amp Service | \$17.38/month | \$17.36/month |
| Exceeding 200 Amp Service | \$22.38/month | \$22.36/month |
| | | |
| Energy Charge | | |
| Winter Seasonal | 16.166 ¢/kWh | 16.540 ¢/kWh |
| Non-Winter Seasonal | 13.916 ¢/kWh | 14.290 ¢/kWh |
| | | |
| Minimum Monthly Charge | | |
| Not Exceeding 200 Amp Service | \$17.38/month | \$17.36/month |
| Exceeding 200 Amp Service | \$22.38/month | \$22.36/month |
| | | |
| Prompt Payment Discount | 1.5% | 1.5% |

NEWFOUNDLAND POWER INC.

Summary of Existing and Proposed Customer Rates
(Includes Municipal Tax and Rate Stabilization Adjustments)

| | <u>July 1, 2025</u> <u>Existing Rates</u> | <u>July 1, 2026</u> <u>Proposed Rates</u> |
|--|--|--|
| <u>G.S. 0-100 kW (110 kVA) - Rate #2.1</u> | | |
| Basic Customer Charge | | |
| Un-Metered | \$14.09/month | \$14.07/month |
| Single Phase | \$22.09/month | \$22.07/month |
| Three Phase | \$34.09/month | \$34.07/month |
| Demand Charge Regular | \$10.52/kW-winter \$8.02/kW-other | \$10.52/kW-winter \$8.02/kW-other |
| Energy Charge | | |
| First 3,500 kilowatt-hours | 15.059 ¢/kWh | 15.433 ¢/kWh |
| All excess kilowatt-hours | 11.808 ¢/kWh | 12.185 ¢/kWh |
| Maximum Monthly Charge | 24.689 ¢/kWh + B.C.C. | 25.055 ¢/kWh + B.C.C. |
| Minimum Monthly Charge | | |
| Un-Metered | \$14.09/month | \$14.07/month |
| Single Phase | \$22.09/month | \$22.07/month |
| Three Phase | \$34.09/month | \$34.07/month |
| Prompt Payment Discount | 1.5% | 1.5% |
| <u>G.S. 110-1000 kVA - Rate #2.3</u> | | |
| Basic Customer Charge | \$53.71/month | \$53.66/month |
| Demand Charge | \$8.80/kVA-winter \$6.30/kVA-other | \$8.80/kVA-winter \$6.30/kVA-other |
| Energy Charge | | |
| First 150 kWh per kVA of demand (max. 50,000) | 13.109 ¢/kWh | 13.484 ¢/kWh |
| All Excess kWh | 10.957 ¢/kWh | 11.335 ¢/kWh |
| Maximum Monthly Charge | 24.689 ¢/kWh + B.C.C. | 25.055 ¢/kWh + B.C.C. |
| Minimum Monthly Charge | \$53.71/month | \$53.66/month |
| Prompt Payment Discount | 1.5% | 1.5% |

NEWFOUNDLAND POWER INC.

Summary of Existing and Proposed Customer Rates
(Includes Municipal Tax and Rate Stabilization Adjustments)

| | July 1, 2025 <u>Existing Rates</u> | July 1, 2026 <u>Proposed Rates</u> |
|---|---------------------------------------|---------------------------------------|
| <u>G.S. 1000 kVA and Over - Rate #2.4</u> | | |
| Basic Customer Charge | \$93.60/month | \$93.51/month |
| Demand Charge | \$8.41/kVA-winter \$5.91/kVA-other | \$8.41/kVA-winter \$5.91/kVA-other |
| Energy Charge | | |
| First 75,000 kWh | 12.712 ¢/kWh | 13.088 ¢/kWh |
| All Excess kWh | 10.869 ¢/kWh | 11.247 ¢/kWh |
| Maximum Monthly Charge | 24.689 ¢/kWh + B.C.C. | 25.055 ¢/kWh + B.C.C. |
| Minimum Monthly Charge | \$93.60/month | \$93.51/month |
| Prompt Payment Discount | 1.5% | 1.5% |

NEWFOUNDLAND POWER INC.

Summary of Existing and Proposed Customer Rates
(Includes Municipal Tax and Rate Stabilization Adjustments)

Street and Area Lighting Rates

| | | <u>July 1, 2025</u> <u>Existing Rates</u> | <u>July 1, 2026</u> <u>Proposed Rates</u> |
|---|---------|--|--|
| <u>Fixtures</u> | | | |
| <u>Sentinel/Standard</u> | | | |
| High Pressure Sodium | 100W | \$20.49 | \$20.61 |
| | 150W | 25.78 | 25.99 |
| | 250W | 37.07 | 37.44 |
| | 400W | 52.32 | 52.89 |
| Light Emitting Diode | LED 100 | \$17.69 | \$17.74 |
| | LED 150 | 21.17 | 21.26 |
| | LED 250 | 26.10 | 26.23 |
| | LED 400 | 31.22 | 31.40 |
| <u>Post Top</u> | | | |
| High Pressure Sodium | 100W | \$21.79 | \$21.91 |
| <u>Poles</u> | | | |
| Wood | | \$6.74 | \$6.74 |
| 30' Concrete or Metal, direct buried | | 9.21 | 9.20 |
| 45' Concrete or Metal, direct buried | | 15.23 | 15.21 |
| 25' Concrete or Metal, Post Top, direct buried | | 6.41 | 6.41 |
| <u>Underground Wiring (per run)</u> | | | |
| All sizes and types of fixtures | | \$15.37 | \$15.35 |

Newfoundland Power Inc.

Average Billing Impacts - Customer Rates
(Billing Amounts include RSA and MTA effective July 1, 2026)
(\$000s)

| Category | <u>Adjusted Existing Rates</u> (A)¹ | <u>Customer Rates</u> (B)² | <u>Change</u> (C)³ | <u>Average Impacts</u> (D)⁴ |
|--|---|--|--|---|
| 1 | | | | |
| 2 | | | | |
| 3 1.1 Domestic | 584,443 | 597,567 | 13,124 | 2.25% |
| 4 1.1S Domestic Seasonal | 1,957 | 2,000 | 43 | 2.20% |
| 5 Total Domestic | <u>586,400</u> | <u>599,567</u> | <u>13,167</u> | <u>2.25%</u> |
| 6 | | | | |
| 7 2.1 General Service 0-100 kW (110 kVA) | 125,259 | 128,179 | 2,920 | 2.3% |
| 8 2.3 General Service 110-1000 kVA | 146,707 | 150,661 | 3,954 | 2.7% |
| 9 2.4 General Service over 1000 kVA | 63,272 | 65,184 | 1,912 | 3.0% |
| 10 Total General Service | <u>335,238</u> | <u>344,024</u> | <u>8,786</u> | <u>2.6%</u> |
| 11 | | | | |
| 12 4.1 Street and Area Lighting | 18,340 | 18,393 | 53 | 0.3% |
| 13 Forfeited Discounts | 3,374 | 3,374 | - | 0.0% |
| 14 | | | | |
| 15 Total | <u><u>943,352</u></u> | <u><u>965,358</u></u> | <u><u>22,006</u></u> | <u><u>2.3%</u></u> |

¹ Column A is the 2026 forecast customer billings under Existing customer rates effective July 1, 2025.

² Column B is the 2026 forecast customer billings under the Proposed Customer Rates effective July 1, 2026.

³ Column C is the difference between forecast under Proposed and Existing customer rates (Column B - Column A).

⁴ Column D is the forecast rate change as a result of the RSA/MTA update (Column C / Column A).

**Calculation of the Rate Stabilization Adjustment
for July 1, 2026**

That in accordance with the Rate Stabilization Clause, the Rate Stabilization Adjustment for the period July 1, 2026 to June 30, 2027 is calculated as follows:

(i) by removing the previous Rate Stabilization Adjustment of 1.910 cents/kWh; and

(ii) by calculating the new adjustment as follows:

Rate Stabilization Adjustment:

RSP

B1 = Amount billed by Hydro: 1.09 mills/kWh × 5,862,552,405 = \$ 6,390,182

CDM

B2 = Amount billed by Hydro: 0.21 mills/kWh × 5,829,387,028 = \$ 1,224,171

Muskrat Falls Project Cost Recovery Rider

B3 = Amount billed by Hydro: 21.36 mills/kWh × 5,829,387,028 = \$ 124,515,707

C1 = Balance in the Applicant's RSA at March 31, 2026 = \$ 80,990,982

C2 = RRA Bill Credit \$ (45,034,736)

C3 = Adjustment to the Applicant's RSA to reflect the portion of the RSA balance at March 31, 2026 remaining to be recovered. = \$ (34,750,000)

D = Total Energy Sales by the Applicant from April 1, 2025 to March 31, 2026 = 5,840,094,000 kWh

| | | |
|--------------------------------------|---|--|
| <i>Rate Stabilization Adjustment</i> | = | $\frac{B1 + B2 + B3 + C1 + C2 + C3}{D}$ |
| | = | $\frac{\$6,390,182 + \$1,224,171 + \$124,515,707 + \$80,990,982 + (\$45,034,736) + (\$34,750,000)}{5,840,094,000 \text{ kWh}}$ |
| | = | 0.02283 \$/kWh or 2.283 cents/kWh |
| Rate Stabilization Adjustment | = | 2.283 cents/kWh |

**Calculation of the Municipal Tax Adjustment Factor
for the period July 1, 2026 to June 30, 2027**

That in accordance with the Municipal Tax Clause, the Municipal Tax Adjustment factor for the period July 1, 2026 to June 30, 2027 is calculated as follows:

| | | | |
|--|--|---|--|
| X | = Amount of all municipal taxes paid in 2025 | = | \$20,598,050 |
| Y | = Amount of Revenue earned in 2025 to which MTA factor shall apply, calculated as follows: | | |
| | Normalized Revenue from rates for 2025 | = | \$763,836,000 |
| | Add: RSA Billings for 2025 | = | \$119,880,600 |
| | Add: 2025 Weather Normalization Revenue Adj. | = | (\$9,335,000) |
| | Less: Forfeited Discounts | = | \$3,353,000 |
| Y | = | | \$871,028,600 |
| <i>Municipal Tax Adjustment Factor</i> | | = | $\frac{X}{Y} + 1.00000$ |
| | | = | $\frac{\$20,598,050}{\$871,028,600} + 1.00000$ |
| Municipal Tax Adjustment Factor | = | | 1.02365 |

NEWFOUNDLAND POWER INC.
RATE #1.1
DOMESTIC SERVICE

Availability:

For Service to a Domestic Unit or to buildings or facilities which are on the same Serviced Premises as a Domestic Unit and used by the same Customer exclusively for domestic or household purposes, whether such buildings or facilities are included on the same meter as the Domestic Unit or metered separately.

Rate: (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge:

| | |
|-------------------------------------|-------------------|
| Not Exceeding 200 Amp Service | \$17.36 per month |
| Exceeding 200 Amp Service | \$22.36 per month |

Energy Charge:

| | |
|--------------------------|------------------|
| All kilowatt-hours | @15.587¢ per kWh |
|--------------------------|------------------|

Minimum Monthly Charge:

| | |
|-------------------------------------|-------------------|
| Not Exceeding 200 Amp Service | \$17.36 per month |
| Exceeding 200 Amp Service | \$22.36 per month |

Discount:

A discount of 1.5% of the amount of the current month's bill will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

**NEWFOUNDLAND POWER INC.
RATE #1.1S
DOMESTIC SEASONAL - OPTIONAL**

Availability:

Available upon request for Service to Customers served under Rate #1.1 Domestic Service who have a minimum of 12 months of uninterrupted billing history at their current Serviced Premises.

Rate:

The Energy Charges provided for in Rate #1.1 Domestic Service Rate shall apply, subject to the following adjustments:

- Winter Season Premium Adjustment (Billing months of December through April):
All kilowatt-hours @ 0.953¢ per kWh
- Non-Winter Season Credit Adjustment (Billing Months of May through November):
All kilowatt-hours @ (1.297)¢ per kWh

Special Conditions:

1. An application for Service under this rate option shall constitute a binding contract between the Customer and the Company with an initial term of 12 months commencing the day after the first meter reading date following the request by the Customer, and renewing automatically on the anniversary date thereof for successive 12-month terms.
2. To terminate participation on this rate option on the renewal date, the Customer must notify the Company either in advance of the renewal date or no later than 60 days after the anniversary/renewal date. When acceptable notice of termination is provided to the Company, the Customer's billing may require adjustment to reverse any seasonal adjustments applied to charges for consumption after the automatic renewal date.

**NEWFOUNDLAND POWER INC.
RATE #2.1
GENERAL SERVICE 0-100 kW (110 kVA)**

Availability:

For Service (excluding Domestic Service) where the maximum demand occurring in the 12 months ending with the current month is less than 100 kilowatts (110 kilovolt-amperes).

Rate: (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge:

| | |
|--------------------|-------------------|
| Unmetered | \$14.07 per month |
| Single Phase | \$22.07 per month |
| Three phase | \$34.07 per month |

Demand Charge:

\$10.52 per kW of billing demand in the months of December, January, February and March and \$8.02 per kW in all other months. The billing demand shall be the maximum demand registered on the meter in the current month in excess of 10 kW.

Energy Charge:

| | |
|----------------------------------|-------------------|
| First 3,500 kilowatt-hours | @ 15.433¢ per kWh |
| All excess kilowatt-hours | @ 12.185¢ per kWh |

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 25.055 cents per kWh plus the Basic Customer Charge, but not less than the Minimum Monthly Charge. The Maximum Monthly Charge shall not apply to Customers who avail of the Net Metering Service Option.

Minimum Monthly Charge:

| | |
|--------------------|-------------------|
| Unmetered | \$14.07 per month |
| Single Phase | \$22.07 per month |
| Three Phase | \$34.07 per month |

Discount:

A discount of 1.5% of the amount of the current month's bill will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7(n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND POWER INC.
RATE #2.3
GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA

Availability:

For Service where the maximum demand occurring in the 12 months ending with the current month is 110 kilovolt-amperes (100 kilowatts) or greater but less than 1000 kilovolt-amperes.

Rate: (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$53.66 per month

Demand Charge:

\$8.80 per kVA of billing demand in the months of December, January, February and March and \$6.30 per kVA in all other months. The billing demand shall be the maximum demand registered on the meter in the current month.

Energy Charge:

First 150 kilowatt-hours per kVA of billing demand,
up to a maximum of 50,000 kilowatt-hours @ 13.484¢ per kWh
All excess kilowatt-hours @ 11.335¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 25.055 cents per kWh plus the Basic Customer Charge. The Maximum Monthly Charge shall not apply to Customers who avail of the Net Metering Service Option.

Discount:

A discount of 1.5% of the amount of the current month's bill will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular, Regulation 7(n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

**NEWFOUNDLAND POWER INC.
RATE #2.4
GENERAL SERVICE 1000 KVA AND OVER**

Availability:

For Service where the maximum demand occurring in the 12 months ending with the current month is 1000 kilovolt-amperes or greater.

Rate: (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$93.51 per month

Demand Charge:

\$8.41 per kVA of billing demand in the months of December, January, February and March and \$5.91 per kVA in all other months. The billing demand shall be the maximum demand registered on the meter in the current month.

Energy Charge:

First 75,000 kilowatt-hours @ 13.088 ¢ per kWh
All excess kilowatt-hours @ 11.247 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 25.055 cents per kWh plus the Basic Customer Charge. The Maximum Monthly Charge shall not apply to Customers who avail of the Net Metering Service Option.

Discount:

A discount of 1.5% of the amount of the current month's bill will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular, Regulation 7(n)], transformation [in particular, Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND POWER INC.
RATE #4.1
STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service where the electricity is supplied by the Company and all fixtures, wiring and controls are provided, owned and maintained by the Company.

Monthly Rate: (Includes Municipal Tax and Rate Stabilization Adjustments)

| | Sentinel/Standard | Post Top |
|---|--------------------------|-----------------|
| High Pressure Sodium | | |
| 100W (8,600 lumens) | \$20.61 | \$21.91 |
| 150W (14,400 lumens) | 25.99 | - |
| 250W (23,200 lumens) | 37.44 | - |
| 400W (45,000 lumens) | 52.89 | - |
| | | |
| Light Emitting Diode | | |
| LED 100 | \$17.74 | - |
| LED 150 | 21.26 | - |
| LED 250 | 26.23 | - |
| LED 400 | 31.40 | - |
| | | |
| Special poles used exclusively for lighting service* | | |
| Wood | \$6.74 | |
| 30' Concrete or Metal, direct buried | 9.20 | |
| 45' Concrete or Metal, direct buried | 15.21 | |
| 25' Concrete or Metal, Post Top, direct buried | 6.41 | |
| | | |
| Underground Wiring (per run)* | | |
| All sizes and types of fixtures | \$15.35 | |

* Where a pole or underground wiring run serves two fixtures paid for by different parties, the above rates for such poles and underground wiring may be shared equally between the two parties.

General:

Details regarding conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

**NEWFOUNDLAND POWER INC.
CURTAILABLE SERVICE OPTION
(for Rates #2.3 and #2.4 only)**

Availability:

For Customers billed on Rate #2.3 or #2.4 that can reduce their demand ("Curtail") by between 300 kW (330 kVA) and 5000 kW (5500 kVA) upon request by the Company during the Winter Peak Period. The Winter Peak Period is between 8 a.m. and 9 p.m. daily during the calendar months of December, January, February and March. The ability of a Customer to Curtail must be demonstrated to the Company's satisfaction prior to the Customer's availing of this rate option.

Customers that reduce their demand in aggregate will be treated as a single Customer under this rate option. The aggregated Customer must provide a single point of contact for a request to Curtail.

Credit for Curtailing:

If the Customer Curtails as requested for the duration of a Winter, the Company shall credit to the Customer's account the Curtailment Credit during May billing immediately following that Winter. The Curtailment Credit shall be determined by one of the following options:

Option 1:

The Customer will contract to reduce demand by a specific amount during Curtailment periods (the "Contracted Demand Reduction"). The Curtailment Credit for Option 1 is determined as follows:

Curtailment Credit = Contracted Demand Reduction x \$29 per kVA

Option 2:

The Customer will contract to reduce demand to a Firm Demand level which the Customer's maximum demand must not exceed during a Curtailment period. The Curtailment Credit for Option 2 is determined as follows:

Maximum Demand Curtailed = (Maximum Winter Demand - Firm Demand)

Peak Period Load Factor =
$$\frac{\text{kWh usage during Peak Period}}{(\text{Maximum Demand during Peak Period} \times 1,573 \text{ hours})}$$

Curtailment Credit = ((Maximum Demand Curtailed x 50%) + (Maximum Demand Curtailed x 50% x Peak Period Load Factor)) x \$29 per kVA

Limitations on Requests to Curtail:

Curtailment periods will:

1. Not exceed 6 hours duration for any one occurrence.
2. Not be requested to start within 2 hours of the expiration of a prior Curtailment period.
3. Not exceed 100 hours duration in total during a winter period.

The Company shall request the Customer to Curtail at least 1 hour prior to the commencement of the Curtailment period.

**NEWFOUNDLAND POWER INC.
CURTAILABLE SERVICE OPTION
(for Rates #2.3 and #2.4 only)**

Failure to Curtail:

Failure to Curtail under Option 1 occurs when a Customer does not reduce its demand by the Contracted Demand Reduction for the duration of a Curtailment period. Failure to Curtail under Option 2 occurs when a Customer does not reduce its demand to the Firm Demand level or below for the duration of a Curtailment period.

The Curtailment Credit will be reduced for failure to Curtail in a winter period as follows:

1. For the first 5 curtailment requests the Curtailment Credit will be reduced 25% for each failure to Curtail.
2. After the 5th curtailment 50% of the remaining Curtailment Credit, if any, will become vested ("Vested Curtailment Credit").
3. For all remaining curtailment requests the Curtailment Credit will be reduced by 12.5% for each additional failure to Curtail.

If a Customer fails to Curtail four times during a winter period, then:

1. The Customer shall only be entitled to the Vested Curtailable Credit, if any.
2. The Customer will no longer be entitled to service under the Curtailable Service Option.

Notwithstanding the previous paragraph, no Curtailment Credit will be provided if the number of failures to Curtail equals the number of Curtailment requests.

Termination/Modification:

The Company requires six months written notice of the Customer's intention to either discontinue Curtailable Service Option or to modify the Contracted Demand Reduction or Firm Demand level.

General:

Services billed on this Service Option will have approved load monitoring equipment installed. For a customer that Curtails by using its own generation in parallel with the Company's electrical system, all Company interconnection guidelines will apply, and the Company has the option of monitoring the output of the Customer's generation. All costs associated with equipment required to monitor the Customer's generation will be charged to the Customer's account.

**NEWFOUNDLAND POWER INC.
NET METERING SERVICE OPTION
(for Rates #1.1, #1.1S, #2.1,#2.3, and #2.4 only)**

Availability:

For Customers who use generation on their Serviced Premises to offset part or all of the electrical energy requirements of the Serviced Premises. Energy generated in excess of the requirements of the Serviced Premises is permitted to be credited against the Customer's energy purchases from the Company in accordance with this rate option.

Net Metering Service is available for any Serviced Premises that is supplied from the Company's distribution system, is billed under one of the Company's metered service rates, and which has generation electrically connected to it that meets the requirements of these provisions. Net Metering Service is not available for unmetered service accounts.

In order to avail of the Net Metering Service Option, Customers must submit a completed Net Metering Service Application to the Company demonstrating the Customer's eligibility for Net Metering Service.

Availability of the Net Metering Service Option will be closed once the provincial aggregate generating capacity for Net Metering Service of 5.0 MW has been met.

Customers that avail of the Net Metering Service Option must maintain compliance with all requirements of this Option. The Company shall have the right to verify compliance through inspection or testing.

Metering:

Net Metering Service will ordinarily be metered using a Company-supplied single meter capable of registering the flow of electrical energy in two directions. The meter will separately capture both the energy supplied to the Customer by the Company and the energy supplied to the Company by the Customer.

At the Company's option, the output of the Customer's generation may be metered separately. In that case, the Customer shall provide the Company with the access necessary to install and maintain the required metering equipment.

The Customer shall pay all costs to upgrade the metering equipment for Net Metering Service if the existing electrical meter at the Serviced Premises is not capable of safely and reliably measuring both the energy supplied to the Customer by the Company and the energy supplied to the Company by the Customer.

**NEWFOUNDLAND POWER INC.
NET METERING SERVICE OPTION
(for Rates #1.1, #1.1S, #2.1, #2.3, and #2.4 only)**

Billing:

Each account availing of Net Metering Service will be billed on the rate normally applicable to the Customer's class of Service.

The Customer's net monthly bill will be determined by deducting the Customer Generation Credit from the total of all charges for Service. The Customer Generation Credit equals the Generation Energy Credit, in kilowatt-hours ("kWh") multiplied by the rate applicable to the Customer's class of Service during the billing month.

The "Generation Energy Credit" is the sum of the kWh energy supplied by the Customer to the Company during the billing month plus Banked Energy Credits. The Generation Energy Credit for a billing month shall not exceed the energy supplied by the Company to the Customer during that month.

"Banked Energy Credits" are the amount of kWh energy supplied by the Customer to the Company that exceeds the kWh energy supplied by the Company to the Customer. Banked Energy Credits in excess of those used to calculate the Generation Energy Credit for a billing month will be carried forward to the following month.

The balance of the Customer's Banked Energy Credits carried forward will be settled annually by means of a credit on the Customer's bill for the Annual Review Billing Month. The Annual Review Billing Month will be determined by the Customer, in consultation with the Company, during the process of implementing Net Metering Service. The Annual Review Billing Month may be revised by the Customer, in consultation with the Company, upon a revision to the Utility Rate charged by Newfoundland and Labrador Hydro to the Company. Settlement of Banked Energy Credits will be computed based upon the then-current 2nd block energy charge in Newfoundland and Labrador Hydro's Utility Rate applicable to service provided to the Company.

Whenever a Customer's participation in the Net Metering Service Option is discontinued, any unused Banked Energy Credits will be settled with a credit on the Customer's next bill.

All customers must pay Harmonized Sales Tax (HST) on the energy supplied by the Company to the Customer during the billing month. If a Customer availing of Net Metering Service is required by law to collect HST on the energy they supply to the Company, the Company will pay HST to the Customer based on the amount of the Customer Generation Credit. It is the Customer's responsibility to notify the Company in writing if they are required to collect HST on the energy they supply to the Company.

**NEWFOUNDLAND POWER INC.
NET METERING SERVICE OPTION
(for Rates #1.1, #1.1S, #2.1,#2.3, and #2.4 only)**

Special Conditions:

Special conditions in this clause do not supersede, modify or nullify the conditions accompanying the metered rate schedules applicable to the Customer's class of Service.

To avail of Net Metering Service, a single Customer must own and maintain responsibility for the Served Premises, the generation and the electrical facilities connecting it to the Company's distribution system.

To qualify for Net Metering Service, the Customer's generation must meet the following requirements:

- i) be designed not to exceed the annual energy requirements of the buildings and facilities metered together on the Served Premises;
- ii) have a manufacturer's nameplate capacity rating totaling not more than 100 kW, except where a lower rating is stipulated by the Company for technical reasons;
- iii) be electrically connected through Customer-owned electrical facilities to the Served Premises to which Net Metering Service is being provided;
- iv) produce electrical energy from a renewable energy source, including wind, solar, photovoltaic, geothermal, tidal, wave, biomass energy or other renewable energy sources that may be approved by the Company on a case-by-case basis; and
- v) meet all applicable safety and performance standards established by the Canadian Electrical Code, the Public Safety Act and the Company's Interconnection Requirements.

All Customer-owned wiring, equipment and devices associated with generation utilized for Net Metering Service shall conform to the Company's interconnection requirements.

The Customer will retain the rights to any renewable energy credits or greenhouse gas-related credits arising from the use of renewable energy sources to generate electricity in accordance with this Option.

A Customer availing of Net Metering Service is responsible for all costs associated with their own facilities. The Customer shall also be required to pay all costs incurred by the Company to modify the utility supply for the provision of Net Metering Service, and for necessary engineering or technical studies required in connection with the provision of Net Metering Service to the Customer.

The approval of an application for Net Metering Service will be subject to the applicant entering into a Net Metering Interconnection Agreement with the Company.

If an applicant approved for Net Metering Service does not proceed with operation of its generation in accordance with its approval within two years from the date of the Company's approval of the application, the approval will be rescinded.

**NEWFOUNDLAND POWER INC.
NET METERING SERVICE OPTION
(for Rates #1.1, #1.1S, #2.1,#2.3, and #2.4 only)**

Approval of Net Metering Service may be revoked if a Customer is found to be in violation of provisions of the Company's Rules and Regulations.

If participation in the Net Metering Service Option is discontinued, the Customer must re-apply to the Company to avail of the Net Metering Service Option.