

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

AN ORDER OF THE BOARD

NO. P.U. 17(2026)

1 **IN THE MATTER OF** the **Electrical Power**
2 **Control Act, 1994**, SNL 1994, Chapter E-5.1
3 (the “**EPCA**”) and the **Public Utilities Act**,
4 RSNL 1990, Chapter P-47 (the “**Act**”), as
5 amended, and regulations thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for
9 approval of the Conservation and Demand
10 Management Cost Recovery Adjustment
11 and Project Cost Recovery Rider to be
12 charged to Island Industrial Customers
13 effective July 1, 2026.
14
15

16 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing
17 under the **Hydro Corporation Act, 2024, SNL 2024**, Chapter H-18, is a public utility within the
18 meaning of the **Act**, and is also subject to the provisions of the **EPCA**; and
19

20 **WHEREAS** in Order Nos. P.U. 49(2016) and P.U. 22(2017) the Board approved the deferral of
21 annual customer energy conservation program costs in a CDM Cost Deferral Account with
22 recovery over a seven-year period through the Conservation and Demand Management (“CDM”)
23 Cost Recovery Adjustment, to be updated annually to reflect the ongoing amortizations and the
24 deferred CDM program costs for the previous year; and
25

26 **WHEREAS** in Order No. P.U. 37(2022) the Board approved a revised CDM Cost Recovery
27 Adjustment Definition effective January 1, 2023 increasing the amortization period from seven to
28 ten years for both historical balances and annual charges; and
29

30 **WHEREAS** in Order No. P.U. 4(2024), the Board approved the implementation of a Project Cost
31 Recovery Rider for the Island Industrial customers to begin recovery of the Muskrat Falls Project
32 costs; and

1 **WHEREAS** on May 7, 2024 the Government of Newfoundland and Labrador issued Order in
2 Council OC2024-062 directing Hydro:

- 3 (i) to structure any application for Utility rate increases such that retail rate increases to
4 domestic class customers attributable to Hydro shall be targeted at 2.25% per year
5 (“Hydro Target Rate Increase”); and
6 (ii) that rate increases be structured for other customers subject to Island Interconnected
7 rates in a manner that is compatible with the Hydro Target Rate Increase; and
8

9 **WHEREAS** in Order No. P.U. 28(2025) the Board approved an Island Industrial Customer CDM Cost
10 Recovery Adjustment of 0.006 cents per kWh, to be effective July 1, 2025; and
11

12 **WHEREAS** in Order No. P.U. 3(2026) the Board approved the Island Industrial Customer Project
13 Cost Recovery Rider of 1.745 cents per kWh to be effective January 1, 2026; and
14

15 **WHEREAS** on May 26, 2026 Hydro filed an application for approval of a revised Island Industrial
16 Customer CDM Cost Recovery Adjustment of 0.007 cents per kWh and a revised Island Industrial
17 Customer Project Cost Recovery Rider of 1.987 cents per kWh, effective July 1, 2026 (the
18 “Application”); and
19

20 **WHEREAS** the Application stated customer billings would increase by 3.0%, which is consistent
21 with the increase to the wholesale rate approved in Order No. P.U. 15(2026); and
22

23 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);
24 the Consumer Advocate, Adrienne Ding (“Consumer Advocate”); the Island Industrial Customer
25 Group,¹ Teck Resources Limited; and Linde Canada Inc.; and
26

27 **WHEREAS** on June 2, 2026, the Island Industrial Customer Group submitted that it was satisfied
28 that the proposed rate adjustments are consistent with the Government rate mitigation direction
29 in OC2024-062; and
30

31 **WHEREAS** on June 3, 2026 Newfoundland Power advised that it had no comments; and
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33 **WHEREAS** on June 3, 2026 the Consumer Advocate stated that the proposed rate increase
34 appeared to be consistent with Government rate mitigation initiatives and the July 1, 2026 Utility
35 Rate adjustment and did not object to the Application; and
36

37 **WHEREAS** on June 4, 2026 Hydro noted that the Island Industrial Customer Group were satisfied
38 that the proposed rate adjustments were consistent with Government direction and requested
39 that the Application be approved; and
40

41 **WHEREAS** the Board is satisfied that the proposed Island Industrial Customer CDM Cost Recovery
42 Adjustment of 0.007 cents per kWh and the proposed Island Industrial Customer Project Cost
43 Recovery Rider of 1.987 cents per kWh should be approved.

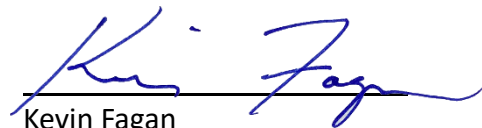
¹ The members of the Island Industrial Customer Group are Corner Brook Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) GP Inc., and Vale Newfoundland and Labrador Limited.

1 **IT IS THEREFORE ORDERED THAT:**

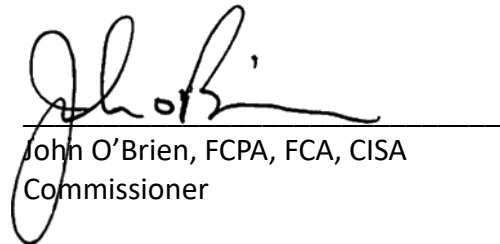
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1. The Island Industrial Customer Conservation and Demand Management Cost Recovery Adjustment of 0.007 cents per kWh is approved.
2. The Island Industrial Customer Project Cost Recovery Rider of 1.987 cents per kWh is approved.
3. The Island Industrial Customer Rates as set out in Schedule A to this Order, to be effective on all electrical consumption on and after July 1, 2026, are approved.
4. Hydro shall pay all expenses of the Board arising from the Application.

DATED at St. John's, Newfoundland and Labrador, this 11th day of June 2026.



Kevin Fagan
Chair and Chief Executive Officer



John O'Brien, FCPA, FCA, CISA
Commissioner



Jo-Anne Galarneau, LL.B, CMA, ICD.D
Commissioner



Mike McNiven
Board Secretary

**NEWFOUNDLAND AND LABRADOR HYDRO
SCHEDULE OF RATES, RULES AND REGULATIONS
INDUSTRIAL – FIRM**

Availability

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

Base Rate*

Demand Charge

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

Firm Energy Charge

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

**NEWFOUNDLAND AND LABRADOR HYDRO
SCHEDULE OF RATES, RULES AND REGULATIONS
INDUSTRIAL – FIRM**

Specifically Assigned Charges

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

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

***Subject to Project Cost Recovery Rider and CDM Cost Recovery Adjustment**

Project Cost Recovery Rider recovers Muskrat Falls Project costs.

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

Adjustment for Losses

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

General

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

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

**NEWFOUNDLAND AND LABRADOR HYDRO
SCHEDULE OF RATES, RULES AND REGULATIONS
INDUSTRIAL – NON-FIRM**

Availability

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

Rate

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

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

Energy charges shall be the greater of:

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

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

On-Peak Energy Rate:

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

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

Off-Peak Energy Rate

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

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

**NEWFOUNDLAND AND LABRADOR HYDRO
SCHEDULE OF RATES, RULES AND REGULATIONS
INDUSTRIAL – NON-FIRM**

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

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

Peak and Off-Peak Periods

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

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

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

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

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

The energy sources and associated conversion factors are:

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

Adjustment for Losses for Thermal Generation Source

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

General

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

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

**NEWFOUNDLAND AND LABRADOR HYDRO
SCHEDULE OF RATES, RULES AND REGULATIONS
INDUSTRIAL – WHEELING**

Availability

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

Rate

Energy Charge

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

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

General

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

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