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March 6, 2026

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

Attention: Colleen Jones
Assistant Board Secretary

Re: Application to Supply and Install Runner – Unit 2 – Cat Arm Hydroelectric Generating Station – Hydro's Reply

On February 13, 2026, Newfoundland and Labrador Hydro ("Hydro") filed an application with the Board of Commissioners of Public Utilities ("Board") requesting approval for the capital expenditures related to the purchase and replacement of a Pelton runner at Unit 2 of the Cat Arm Hydroelectric Generating Station ("Cat Arm"). The runner is at the end of its service life, and failure of the runner would have implications for the operation of Cat Arm and its reliability. This application was a successor to the previous application for the purchase and replacement of the Unit 2 Pelton runner at Cat Arm.

The Board had denied Hydro's previous application in Board Order No. P.U.16(2025). Although the Board accepted Hydro's evidence in relation to the need to replace the Pelton runners, the Board stated that Hydro had not demonstrated a full evaluation of the alternative of refurbishment of the Unit 1 runner as a replacement for the Unit 2 runner and whether the potential refurbishment of the Unit 1 runner could be completed at a lower cost. Hydro had an external consultant complete an analysis of the potential use of a refurbished Unit 1 runner, ultimately determining that the purchase and installation of a new runner would be the least cost approach.

No requests for information were issued on Hydro's present application for the supply and installation of a new Unit 2 Pelton runner at Cat Arm. Newfoundland Power Inc's submission acknowledged that Hydro had provided the additional information the Board had identified in Board Order No. P.U.16(2025) and, in recognition of the importance of maintaining reliable generation assets on the Island to support system adequacy and supply reliability, and the Board's previous acceptance of the need to replace the runner, indicated their support for Hydro's application.

No comments were received from any other party.

As has been previously noted, the proposed capital expenditure is necessary to ensure that Hydro can continue to provide service which is safe and adequate, and just and reasonable, as required by Section 37 of the *Public Utilities Act*.

Hydro respectfully requests that the Board approve Hydro's application as submitted.

Should you have any questions, please contact the undersigned.

Colleen Jones
Board of Commissioners of Public Utilities

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Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



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