

July 31, 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: Approval of Capital Expenditures Supplemental to Newfoundland Power Inc.'s ("Newfoundland Power" or the "Company") 2026 Capital Budget Application and Customer Contributions in Relation to the Supplemental Capital Expenditures (the "Application").

The Application

Please find the enclosed Application of Newfoundland Power for approval of the supplemental capital expenditures necessary to relocate a portion of transmission line 147L at the request of New Found Gold Corp. ("New Found Gold"), and for approval of a contribution in aid of construction from New Found Gold for the cost of the relocation, less any betterment.

147 Relocation Project

New Found Gold has made a request to Newfoundland Power to relocate a portion of transmission line 147L to facilitate development of its Queensway Gold Project near the town of Appleton. The Company considers New Found Gold's request to relocate a portion of transmission line 147L to be a relocation request under clause 9(c) of its *Schedule of Rates, Rules & Regulations*. Clause 9(c) requires New Found Gold to pay for the cost of the relocation, less any betterment.

The project was not included in the Company's 2026 annual capital budget application as the relocation requirements and associated project details had not yet been sufficiently developed. To meet New Found Gold's requested schedule, the project must proceed in 2026 and cannot be reasonably delayed for inclusion in a future capital budget application. Schedule B to the application provides details on the proposed

Newfoundland Power Inc.

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relocation of a portion of transmission line 147L and the justification for the items to be included in the Application.

New Found Gold has made a similar request to Newfoundland and Labrador Hydro ("Hydro"), to relocate portions of Hydro's transmission line TL210. Accordingly, Hydro has filed a separate application seeking approval for the capital expenditures necessary to relocate a portion of transmission line TL210, and for approval of a contribution from New Found Gold toward the costs of the project, less applicable credits.¹ Newfoundland Power and Hydro will coordinate their respective projects to enable project execution efficiencies and cost savings, where possible.

Concluding

If there are any questions in relation to this matter, please contact the undersigned at the direct number noted below.

Yours very truly,



Dominic Foley
Legal Counsel

Enclosure

cc. Shirley Walsh
Newfoundland and Labrador Hydro

Adrienne Ding
O'Dea Earle Law Offices

¹ See Hydro's *Application for approval of line relocation, and a contribution in aid of construction for a portion of the costs*, filed with the Board on June 30, 2026.

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IN THE MATTER OF the *Public Utilities Act*, (the "Act"); and

IN THE MATTER OF an Application by Newfoundland Power Inc. (the "Applicant") for approval to proceed with the construction and purchase of certain improvements and additions to its property pursuant to Section 41(3) of the Act necessary to relocate a section of transmission line 147L, and a contribution from New Found Gold Corp. ("New Found Gold") equal to the costs of the construction pursuant to Section 41(5) of the Act.

TO: The Board of Commissioners of Public Utilities (the "Board")

THE APPLICATION OF Newfoundland Power Inc. SAYS THAT:

A. Introductory

1. The Applicant 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*.
2. The Applicant operates transmission lines, distribution lines and substations to deliver electricity to customers throughout its service territory on the island portion of the Province of Newfoundland and Labrador.

B. Transmission Line 147L Relocation Project

3. New Found Gold Corp ("New Found Gold") is a corporation duly organized and existing under the laws of British Columbia, and is extra-provincially registered to carry on business in Newfoundland and Labrador.
4. New Found Gold is advancing a proposed gold mining development (the "Queensway Project"). The Queensway Project is situated approximately 15 kilometres west of Gander and encompasses a large land position in central Newfoundland near the community of Appleton.
5. New Found Gold has requested that the Applicant relocate a 6.5 km section of Newfoundland Power's transmission line 147L to accommodate the development of the Queensway Project as shown in Figures 1 and 2 of Schedule B.

6. The Applicant considers New Found Gold's request to relocate a portion of transmission line 147L to be a relocation request under clause 9(c) of its *Schedule of Rates, Rules & Regulations*. Clause 9(c) requires New Found Gold to pay for the cost of the relocation less any betterment.
7. The estimated capital cost to relocate transmission line 147L to accommodate the New Found Gold request is \$4,257,000. Schedule B to this Application provides further information regarding the scope, justification, cost and schedule to complete the relocation of transmission line 147L.
8. The estimated amount of New Found Gold's contribution to the relocation of transmission line 147L is \$2,965,460 excluding HST. Schedule C to this Application provides further information regarding the calculation of the New Found Gold contribution.

C. Justification and Relief Requested

9. The Applicant submits that the proposed capital expenditure referred to in paragraph 7 hereof is necessary to provide service and facilities which are reasonably safe and adequate and just and reasonable, all as required pursuant to Section 37 of the Act.
10. The Applicant submits that the proposed contribution referred to in paragraph 8 from New Found Gold is necessary to ensure New Found Gold pays for the cost to relocate a portion of 147L in accordance with clause 9(c) of Newfoundland Power's *Schedule of Rates, Rules & Regulations*.
11. Communications with respect to this Application should be sent to Dominic Foley, Counsel for the Applicant.
12. **THE APPLICANT REQUESTS** that the Board approve pursuant to Section 41(3) of the *Act*, capital expenditures necessary to relocate a portion of 147L as requested by New Found Gold, in the amount of \$4,257,000.
13. **THE APPLICANT REQUESTS** that the Board approve pursuant to Section 41(5) of the Act, the contribution by New Found Gold in the amount of \$2,965,460 excluding HST.

DATED at St. John's, Newfoundland and Labrador, this 31st day of July, 2026.

NEWFOUNDLAND POWER INC.



Dominic Foley
Legal Counsel
Newfoundland Power Inc.
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55 Kenmount Road
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IN THE MATTER OF the *Public Utilities Act*, (the "Act"); and

IN THE MATTER OF an Application by Newfoundland Power Inc. (the "Applicant") for approval to proceed with the construction and purchase of certain improvements and additions to its property pursuant to Section 41(3) of the Act, and a contribution from New Found Gold Corp. equal to the costs of the construction, pursuant to Section 41(5) of the Act.

AFFIDAVIT

I, Michael Comerford, of the City Mount Pearl in the Province of Newfoundland and Labrador, make oath and say as follows:

1. That I am Director, Planning and Supply of Newfoundland Power Inc.
2. That to the best of my knowledge, information and belief, all matters, facts and things set out in this Application are true.

SWORN TO before me at the City
of St. John's in the Province of
Newfoundland and Labrador
this 31st day of July, 2026.


Barrister


Michael Comerford

**2026 CAPITAL BUDGET SUMMARY – SUPPLEMENTAL
TRANSMISSION LINE 147L RELOCATION PROJECT**

Expenditure Type	Budget (\$000s)
Multi-Year Projects Commencing in 2026	564
Total	<u>\$ 564</u>

Asset Class	Budget (\$000s)
Transmission	564
Total	<u>\$ 564</u>

TRANSMISSION LINE 147L RELOCATION PROJECT
MULTI-YEAR PROJECTS**Multi-Year Projects Commencing in 2026**

Asset Class	Project Description	2026	2027	Total
Transmission	Transmission Line 147L Relocation	\$564,000	\$3,693,000	\$4,257,000
Total		\$564,000	\$3,693,000	\$4,257,000

2026 CAPITAL PROJECTS AND PROGRAMS

OVER \$750,000

Title:	Transmission Line 147L Relocation
Asset Class:	Transmission
Category:	Project
Investment Classification:	Access
Budget (Multi-Year):	\$564,000 in 2026; \$3,693,000 in 2027¹

PROJECT DESCRIPTION

The *Transmission Line 147L Relocation* project involves relocating a portion of transmission line 147L in central Newfoundland to accommodate the development of New Found Gold Corp.'s ("New Found Gold") Queensway mining project near the town of Appleton. The proposed project includes:

1. Right-of-way clearing for the new easement;
2. Construction of a new 8.4-kilometre section of 147L; and
3. Connecting the new section of 147L to the existing transmission line.

The *Transmission Line 147L Relocation* project is scheduled as a two-year multi-year project beginning in 2026. The schedule is similar to Newfoundland and Labrador Hydro's ("Hydro") project schedule.² Design, planning and procurement will commence in August 2026 and conclude by September. Construction will begin in September 2026 and will conclude by July 2027, with final commissioning to be complete by September 2027.

New Found Gold has agreed to pay for the cost of the relocation, less any betterment, as required by clause 9(c) of Newfoundland Power's *Schedule of Rates, Rules & Regulations*. For additional information, see Schedule C.³

PROJECT BUDGET

The budget for the *Transmission Line 147L Relocation* project is based on a detailed engineering estimate. Table 1 provides a breakdown of expenditures proposed for 2026 and 2027 for the *Transmission Line 147L Relocation* project.

¹ Capital budget estimates are rounded to the nearest thousand dollars.

² Hydro is proposing to relocate a portion of its transmission line TL210 which is adjacent to transmission line 147L. See Hydro's *Application for approval of line relocation, and a contribution in aid of construction for a portion of the costs* filed with the Board on June 30, 2026.

³ Following completion of the project, Newfoundland Power will review project costs and contribution requirements from New Found Gold. If final contribution requirements are lower than those included in Schedule C, Newfoundland Power will refund the difference to New Found Gold. New Found Gold has agreed to pay the additional contribution to Newfoundland Power if final contribution requirements are higher than those included in Schedule C.

Table 1 Transmission Line 147L Relocation Project 2026-2027 Budget (\$000s)			
Cost Category	2026	2027	Total
Material	-	1,136	1,136
Labour – Internal	65	80	145
Labour – Contract	370	2,071	2,441
Engineering	76	94	170
Other	53	312	365
Total	564	3,693	4,257

Proposed capital expenditures for the *Transmission Line 147L Relocation* project total \$4,257,000, including \$564,000 in 2026 and \$3,693,000 in 2027.⁴

ASSET BACKGROUND

Newfoundland Power owns and operates 138 kV Transmission Line 147L which connects Cobb's Pond ("COB") and Lewisporte ("LEW") substations in central Newfoundland. Transmission Line 147L is approximately 58 kilometres long and was constructed in 1981. Transmission Line 147L is a part of the central Newfoundland 138 kV transmission system.

Hydro operates a 138 kV transmission line on the New Found Gold Queensway project site. Hydro's 138 kV transmission line TL210 is adjacent to 147L and also requires relocation. Both utilities are coordinating the relocation of their respective transmission lines to enable efficiencies and cost savings where possible.⁵

New Found Gold has requested a 6.5-kilometre section of Transmission Line 147L be relocated to accommodate the development of its Queensway project near the town of Appleton. The relocated section of Transmission Line 147L will be approximately 8.4 kilometres in length and will be located away from New Found Gold's Queensway project operations. Figures 1 and 2 below show the proposed route of the relocated portion of Transmission Line 147L.

⁴ New Found Gold is also responsible for the cost of removing the existing 6.5 km section of 147L once the new 8.4 km section has been constructed and energized. See Schedule C for additional details.

⁵ For example, the utilities plan to issue a joint tender for work required to relocate TL210 and 147L.

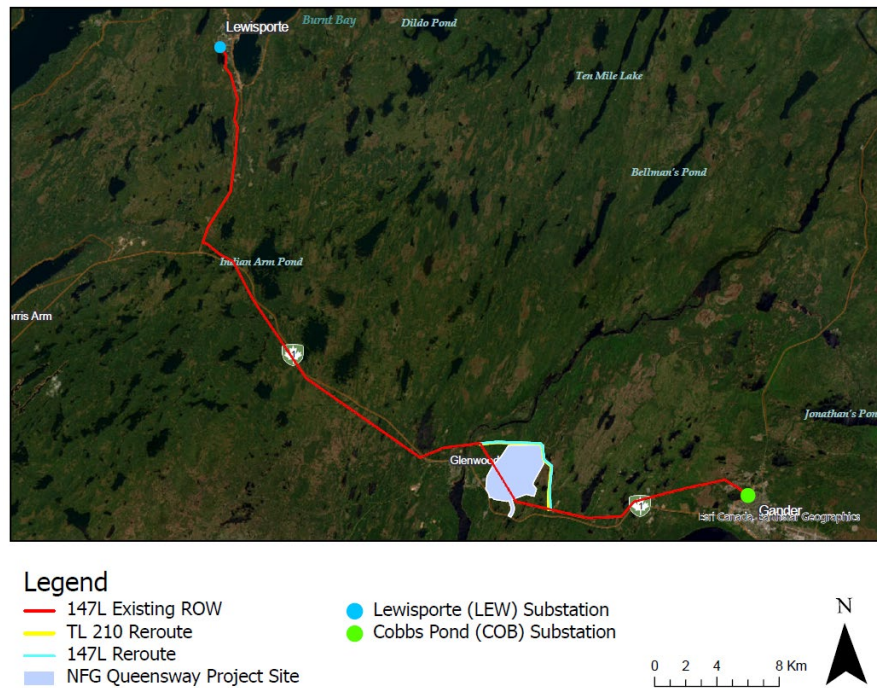


Figure 1: 147L Location with Proposed Area for Relocation

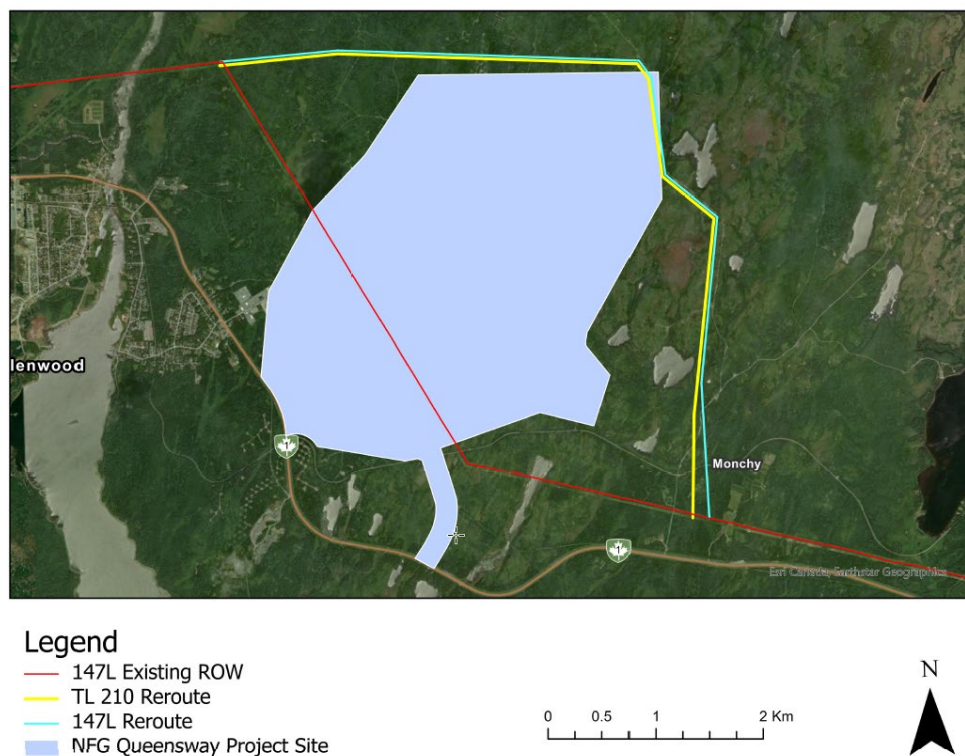


Figure 2: 147L Proposed Relocation Layout

ASSESSMENT OF ALTERNATIVES

Transmission Line 147L is located on New Found Gold's Queensway project site and forms part of the 138 kV transmission system in central Newfoundland. There are no viable alternatives to the relocation of Transmission Line 147L to accommodate the request of New Found Gold.

JUSTIFICATION

The *Transmission Line 147L Relocation project* is required to relocate a 6.5-kilometre section of Transmission Line 147L that is currently located at New Found Gold's Queensway project site. The relocation of this section of Transmission Line 147L will ensure the transmission line continues to provide reliable service to customers in central Newfoundland as part of the 138 kV transmission system.

SCHEDULE C

2026 CONTRIBUTION CALCULATION FOR NEW FOUND GOLD

2026 CONTRIBUTION CALCULATION FOR NEW FOUND GOLD¹

Detailed Construction Cost ²	\$4,257,458
Less: Betterment Credit ³	\$1,645,070
Plus: Existing Line Removal Cost ⁴	\$353,072
Total Contribution ⁵	\$2,965,460

¹ In accordance with clause 9(c) of Newfoundland Power's *Schedule of Rates, Rules and Regulations*, New Found Gold is required to pay for the cost of the transmission line 147L relocation, less any betterment.

² Detailed Construction Cost is based on the detailed estimate of the cost to relocate a 6.5 km section of transmission line 147L away from the New Found Gold Queensway project. Unlike the cost estimate used in Schedule B, the Detailed Cost Estimate used to establish the New Found Gold contribution is not rounded to the nearest thousand dollars.

³ Based on a betterment factor of 66% for an average pole age of 45 years, and a replacement factor of 62%.

⁴ Removal cost estimate reflects the cost of removing all of the existing 6.5 km section of transmission line 147L when the new section of 147L has been commissioned and energized.

⁵ Following completion of the project, Newfoundland Power will review project costs and contribution requirements from New Found Gold. If final contribution requirements are lower than those included in Schedule C, Newfoundland Power will refund the difference to New Found Gold. New Found Gold has agreed to pay the additional contribution to Newfoundland Power if final contribution requirements are higher than those included in Schedule C.