



Newfoundland and Labrador Hydro  
Hydro Place, 500 Columbus Drive  
P.O. Box 12400, St. John's, NL  
Canada A1B 4K7  
t. 709.737.1400 | f. 709.737.1800  
nlhydro.com

May 25, 2026

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

Attention: Mike McNiven  
Board Secretary

**Re: Supply Cost Variance Deferral Account Monthly Report**

Further to correspondence from the Board of Commissioners of Public Utilities accompanying Board Order No. P.U. 4(2022), please find enclosed Newfoundland and Labrador Hydro's report on the activity and balance of the Supply Cost Variance Deferral Account to the end of April 2026.

Should you have any questions, please contact the undersigned.

Yours truly,

**NEWFOUNDLAND AND LABRADOR HYDRO**

Shirley A. Walsh  
Senior Legal Counsel, Regulatory  
SAW/mc

Encl.

ecc:

**Board of Commissioners of Public Utilities**  
Jacqui H. Glynn  
Ryan Oake  
Board General

**Labrador Interconnected Group**  
Senwung F. Luk, Olthuis Kleer Townshend LLP  
Nicholas E. Kennedy, Olthuis Kleer Townshend LLP

**Linde Canada Inc.**  
Sheryl E. Nisenbaum  
Peter Strong

**Island Industrial Customer Group**  
Paul L. Coxworthy, Stewart McKelvey  
Denis J. Fleming, Cox & Palmer  
Glen G. Seaborn, Poole Althouse

**Consumer Advocate**  
Adrienne H.Y. Ding, O'Dea Earle  
Justin W. King, O'Dea Earle  
Consumer Advocate General

**Newfoundland Power Inc.**  
Dominic J. Foley  
Douglas W. Wright  
Regulatory Email

**Iron Ore Company of Canada**  
Gregory A.C. Moores, Stewart McKelvey

**Teck Resources Limited**  
Darren Hennessey

# Supply Cost Variance Deferral Account Report (Unaudited)

May 25, 2026

A report to the Board of Commissioners of Public Utilities



**Supply Cost Variance Deferral Account  
 Summary  
 April 30, 2026**

	<b>Supply Cost Variance Deferral Account Balance (\$)</b>	<b>Utility Balance (\$)</b>	<b>Industrial Balance (\$)</b>	<b>Total to Date (\$)</b>
	<b>(from page 2)</b>	<b>(from page 3)</b>	<b>(from page 4)</b>	
Opening Balance	390,740,090	(40,366,584)	-	<b>350,373,506</b>
Adjustment <sup>1</sup>	-	-	(51,816)	<b>(51,816)</b>
<b>Adjusted Opening Balance</b>	<b>390,740,090</b>	<b>(40,366,584)</b>	<b>(51,816)</b>	<b>350,321,690</b>
January <sup>2</sup>	422,656,688	(42,965,784)	(51,958)	<b>379,638,946</b>
February	457,801,440	(45,034,736)	(52,101)	<b>412,714,603</b>
March <sup>3</sup>	143,623,434	(47,364,302)	(25,322)	<b>96,233,810</b>
April	193,642,796	(49,681,369)	(25,392)	<b>143,936,035</b>
May				
June				
July				
August				
September				
October				
November				
December				

<sup>1</sup> The transfer of the December 2025 RSP Island Industrial Customers ("IIC") balance to the Supply Cost Variance Deferral Account ("SCVDA") was approved in the Board of Commissioners of Public Utilities ("Board") Order No. P.U. 3(2026).

<sup>2</sup> January 2026 was updated to reflect the new terms under the Corner Brook Pulp and Paper Limited Power Purchase Agreement for purchases through June 2027.

<sup>3</sup> March activity includes transfers from the 2025 Return on Equity Rate Change Deferral Account balance for Newfoundland Power Inc. ("Newfoundland Power") and IIC as per Board Order No. P.U. 10 (2025). Please see pages three and four for additional details.

Supply Cost Variance Deferral Account Report for April 2026 (Unaudited)

Supply Cost Variance Deferral Account  
Section A: Summary  
April 30, 2026

	Project Cost Recovery Rider			Load Variation			Financing Charges <sup>1</sup>			Cumulative Net Balance (\$)			
	Muskat Falls Project Cost Variance (\$)	Rate Mitigation Fund <sup>2</sup> (\$)	Utility <sup>3</sup> (\$)	Industrial <sup>4</sup> (\$)	Utility (\$)	Transmission Tariff Revenue Variance (\$)	Greenhouse Gas Credit Revenue Variance (\$)	Subtotal Monthly Variances (\$)	Utility (\$)		Industrial (\$)	Other (\$)	Transfers (\$)
Opening Balance Adjustment	2,338,335,896	(1,279,833,434)	(193,562,699)	(11,578,905)	70,930,934	(62,735,864)	(71,725,266)	341,641,780	(11,886,862)	(315,161)	61,300,333	-	390,740,090
<b>Adjusted Opening Balance</b>	<b>2,338,395,896</b>	<b>(1,279,833,434)</b>	<b>(193,562,699)</b>	<b>(11,578,905)</b>	<b>70,930,934</b>	<b>(62,735,864)</b>	<b>(71,725,266)</b>	<b>341,641,780</b>	<b>(11,886,862)</b>	<b>(315,161)</b>	<b>61,300,333</b>	<b>-</b>	<b>390,740,090</b>
January	64,905,706	-	(10,895,187)	(873,993)	(27,432,786)	(1,498,023)	9,959	30,842,181	(532,239)	(31,838)	1,638,494	-	422,656,688
February	64,450,247	-	(9,467,169)	(897,630)	(17,022,931)	(1,498,023)	301	33,982,574	(562,198)	(34,242)	1,758,618	-	457,801,440
March	59,811,131	(350,300,000)	(10,220,627)	(1,090,712)	(3,835,182)	(1,498,023)	(30,784)	(315,836,822)	(588,229)	(36,710)	1,883,755	-	143,623,434
April	64,804,598	-	(8,670,368)	(976,952)	(1,362,040)	(1,498,023)	(75,133)	49,624,441	(616,333)	(39,709)	1,050,963	-	193,642,796
May													
June													
July													
August													
September													
October													
November													
December													
<b>Year-to-Date</b>	<b>253,971,682</b>	<b>(350,300,000)</b>	<b>(89,253,351)</b>	<b>(3,839,287)</b>	<b>(49,652,939)</b>	<b>(5,992,092)</b>	<b>(95,657)</b>	<b>(200,987,626)</b>	<b>(2,298,999)</b>	<b>(142,499)</b>	<b>6,331,830</b>	<b>-</b>	<b>(197,097,294)</b>
<b>Total</b>	<b>2,592,307,578</b>	<b>(1,630,133,434)</b>	<b>(232,816,050)</b>	<b>(15,418,192)</b>	<b>(273,854,463)</b>	<b>(68,727,956)</b>	<b>(71,820,923)</b>	<b>140,654,154</b>	<b>(14,185,861)</b>	<b>(457,660)</b>	<b>67,632,163</b>	<b>-</b>	<b>193,642,796</b>

<sup>1</sup> Financing charges accrued at the 2025 short-term cost of borrowing of 3.35% for the period January to April 2026. In December, the interest expense will be moved up to reflect the short-term interest rate for 2026.

<sup>2</sup> As per Order of Council (OC) 2024-062 dated May 7, 2024, Newfoundland and Labrador Hydro has been directed by the Government of Newfoundland and Labrador to use its own sources of rate mitigation and accordingly, in March 2026, transferred \$350.3 million of funding to its Regulated operations. The \$350.3 million includes \$90.6 million of rate mitigation funding related to the retirement of the 2023 S.C.O.D.A. of \$271 million over the 2024 to 2026 period.

<sup>3</sup> As per Board Order No. P.U. 22(2025), the Board approved a Project Cost Recovery Rider of 1.516 cents per kWh effective July 1, 2025.

<sup>4</sup> As per Board Order No. P.U. 3(2026), the Board approved a Project Cost Recovery Rider of 1.745 cents per kWh effective January 1, 2026.

<sup>5</sup> Holyrood Thermal Generating Station.

Supply Cost Variance Deferral Account  
 Section B: Utility Customer Balance  
 April 30, 2026

	Allocation Rural Rate Alteration <sup>1</sup> (\$)	Financing Charges <sup>2</sup> (\$)	Transfers <sup>3</sup> (\$)	Cumulative Net Balance (\$) (to page 1)
Opening Balance	(37,866,434)	(2,500,150)	-	(40,366,584)
Adjustments	-	-	-	-
<b>Adjusted Opening Balance</b>	<b>(37,866,434)</b>	<b>(2,500,150)</b>	<b>-</b>	<b>(40,366,584)</b>
January	(2,488,204)	(110,996)	-	(42,965,784)
February	(1,950,809)	(118,143)	-	(45,034,736)
March	(2,614,154)	(123,832)	408,420	(47,364,302)
April	(2,186,829)	(130,238)	-	(49,681,369)
May				
June				
July				
August				
September				
October				
November				
December				
<b>Year-to-Date</b>	<b>(9,239,996)</b>	<b>(483,209)</b>	<b>408,420</b>	<b>(9,314,785)</b>
<b>Total</b>	<b>(47,106,430)</b>	<b>(2,983,359)</b>	<b>408,420</b>	<b>(49,681,369)</b>

<sup>1</sup> The Rural Rate Alteration ("RRA") is allocated between Utility and Labrador Interconnected customers in the same proportion that the rural deficit was allocated in the approved 2019 Cost of Service Study, which is 96.1% and 3.9%, respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

The only transactions posted to the Utility's Customer Balance are Newfoundland Power's allocation of RRA and associated interest until further approval is obtained from the Board.

<sup>2</sup> Financing charges accrued at the 2025 short-term cost of borrowing of 3.35% until December at which time, the interest expense will be trued up to reflect the short-term interest rate for 2026.

<sup>3</sup> The transfer of the December 2025 Return on Equity Rate Change Deferral Account balance attributable to Newfoundland Power to the Utility Customer Balance in the SCVDA for disposition, was approved in Board Order No. P.U. 10(2025).

**Supply Cost Variance Deferral Account**  
**Section B: Industrial Customers Balance**  
**April 30, 2026**

	Financing Charges (\$)	Transfers <sup>1,2</sup> (\$)	Cumulative Net Balance (\$) (to page 1)
Opening Balance	-	-	-
Adjustments	-	(51,816)	(51,816)
<b>Adjusted Opening Balance</b>	-	<b>(51,816)</b>	<b>(51,816)</b>
January	(142)	-	(51,958)
February	(143)	-	(52,101)
March	(143)	26,922	(25,322)
April	(70)	-	(25,392)
May			
June			
July			
August			
September			
October			
November			
December			
<b>Year-to-Date</b>	<b>(498)</b>	<b>26,922</b>	<b>26,424</b>
<b>Total</b>	<b>(498)</b>	<b>(24,894)</b>	<b>(25,392)</b>

<sup>1</sup> The transfer of the December 2025 RSP IIC balance to the SCVDA was approved in Board Order No. P.U. 3(2026).

<sup>2</sup> The transfer of the December 2025 Return on Equity Rate Change Deferral Account balance attributable to IIC to the Industrial Customers Balance in the SCVDA for disposition, was approved in Board Order No. P.U. 10(2025).