



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

February 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: Colleen Jones  
Assistant 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 January 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

**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)

February 25, 2026

A report to the Board of Commissioners of Public Utilities



Supply Cost Variance Deferral Account  
Summary  
January 31, 2026

	Supply Cost Variance Deferral Account Balance (\$) (from page 2)	Utility Balance (\$) (from page 3)	Industrial Balance (\$) (from page 4)	Total to Date (\$)
Opening Balance	390,740,090	(40,366,584)	-	350,373,506
Adjustment	-	-	-	-
<b>Adjusted Opening Balance</b>	<b>390,740,090</b>	<b>(40,366,584)</b>	<b>-</b>	<b>350,373,506</b>
January	421,466,000	(42,965,784)	-	378,500,216
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

**Supply Cost Variance Deferral Account Report for January 2026 (Unaudited)**  
**Page 2 of 4**

**Supply Cost Variance Deferral Account**  
**Section A: Summary**  
**January 31, 2026**

	Project Cost Recovery Rider			Load Variation			Financing Charges <sup>1</sup>			Cumulative Net Balance (\$) (to page 1)									
	Muskat Falls Project Cost Variance (\$)	Rate Mitigation Fund (\$)	Utility <sup>2</sup> (\$)	Industrial <sup>3</sup> (\$)	Utility (\$)	Industrial (\$)	Greenhouse Gas Credit Revenue Variance (\$)	Subtotal Monthly Variances (\$)	Utility (\$)		Industrial (\$)	Other (\$)	Transfers (\$)						
Opening Balance	2,338,335,896	(1,279,833,434)	(193,562,699)	(11,578,905)	(224,201,524)	(100,346,437)	(184,174,921)	(62,735,864)	70,930,934	60,534,000	(71,725,266)	341,641,780	(11,886,862)	(315,161)	61,300,333	-	-	390,740,090	
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Adjusted Opening Balance</b>	<b>2,338,335,896</b>	<b>(1,279,833,434)</b>	<b>(193,562,699)</b>	<b>(11,578,905)</b>	<b>(224,201,524)</b>	<b>(100,346,437)</b>	<b>(184,174,921)</b>	<b>(62,735,864)</b>	<b>70,930,934</b>	<b>60,534,000</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>390,740,090</b>	
January	64,905,706	-	(10,895,187)	(873,993)	(27,432,786)	5,573,189	(391,142)	(1,498,023)	(318,080)	571,850	9,959	29,651,493	(532,239)	(31,838)	1,638,494	-	-	421,466,000	
February	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
March	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Year-to-Date</b>	<b>64,905,706</b>	<b>-</b>	<b>(10,895,187)</b>	<b>(873,993)</b>	<b>(27,432,786)</b>	<b>5,573,189</b>	<b>(391,142)</b>	<b>(1,498,023)</b>	<b>(318,080)</b>	<b>571,850</b>	<b>9,959</b>	<b>29,651,493</b>	<b>(532,239)</b>	<b>(31,838)</b>	<b>1,638,494</b>	-	-	<b>30,725,910</b>	
<b>Total</b>	<b>2,403,241,602</b>	<b>(1,279,833,434)</b>	<b>(204,457,886)</b>	<b>(12,452,898)</b>	<b>(251,634,310)</b>	<b>(94,773,248)</b>	<b>(184,566,063)</b>	<b>(64,233,887)</b>	<b>70,612,854</b>	<b>61,105,850</b>	<b>(71,715,307)</b>	<b>371,293,273</b>	<b>(12,419,101)</b>	<b>(346,998)</b>	<b>62,938,827</b>	-	-	<b>421,466,000</b>	

<sup>1</sup> Financing charges accrued at the 2025 short-term cost of borrowing of 3.35%. In December, finance costs will be traced up to reflect the actual short-term cost of borrowing for 2026.

<sup>2</sup> As per Order No. P.U. 22(2025), the Board of Commissioners of Public Utilities ("Board") approved a Project Cost Recovery Rider of 1.516 cents per kWh effective July 1, 2025.

<sup>3</sup> As per 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>4</sup> Holyrood Thermal Generating Station ("HTGS").

<sup>5</sup> Island Interconnected System ("IIS").

**Supply Cost Variance Deferral Account**  
**Section B: Utility Customer Balance**  
**January 31, 2026**

	Allocation Rural Rate Alteration <sup>1</sup> (\$)	Financing Charges (\$) <sup>2</sup>	Transfers (\$)	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>(40,366,584)</b>
January	(2,488,204)	(110,996)	-	(42,965,784)
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
<b>Year-to-Date</b>	<b>(2,488,204)</b>	<b>(110,996)</b>	-	<b>(2,599,200)</b>
<b>Total</b>	<b>(40,354,638)</b>	<b>(2,611,146)</b>	-	<b>(42,965,784)</b>

<sup>1</sup> The Rural Rate Alteration 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 Rural Rate Alteration 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%. In December, finance costs will be trued up to reflect the actual short-term cost of borrowing for 2026.

**Supply Cost Variance Deferral Account**  
**Section B: Industrial Customers Balance<sup>1</sup>**  
**January 31, 2026**

	Financing Charges (\$)	Transfers (\$)	Cumulative Net Balance (\$) (to page 1)
Opening Balance	-	-	-
January	-	-	-
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
<b>Year-to-Date</b>	-	-	-
<b>Total</b>	-	-	-

<sup>1</sup> No transactions will be applied to this balance until further approval is obtained from the Board.