Newfoundland and Labrador Hydro
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P.O. Box 12400. St. John's. NL
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nlhydro.com

December 17, 2025

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

Attention: Jo-Anne Galarneau
Executive Director and 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 November 2025.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

SWalsh

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

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
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Island Industrial Customer Group
Paul L. Coxworthy, Stewart McKelvey
Denis J. Fleming, Cox & Palmer
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Consumer Advocate
Dennis M. Browne, KC, Browne Fitzgerald Morgan & Avis
Stephen F. Fitzgerald, KC, Browne Fitzgerald Morgan & Avis
Sarah G. Fitzgerald, Browne Fitzgerald Morgan & Avis
Bernice Bailey, Browne Fitzgerald Morgan & Avis

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)

November 2025

December 17, 2025

A report to the Board of Commissioners of Public Utilities

Supply Cost Variance Deferral Account
Summary
November 30, 2025

	Supply Cost Variance Deferral Account Balance ($) (from page 2)	Utility Balance ($) (from page 3)	Industrial Balance ($) (from page 4)	Total to Date ($)
Opening Balance	554,338,269	(22,623,806)	-	**531,714,463**
Adjustment	-	-	-	**-**
Adjusted Opening Balance	**554,338,269**	**(22,623,806)**	**-**	**531,714,463**
January	589,159,074	(24,271,770)	-	**564,887,304**
February	181,833,391	(26,204,311)	-	**155,629,080**
March	266,221,473	(27,877,456)	-	**238,344,017**
April	325,075,069	(29,519,140)	-	**295,555,929**
May	368,217,548	(30,927,793)	-	**337,289,755**
June	421,779,613	(31,818,850)	-	**389,960,763**
July	480,297,258	(32,989,144)	-	**447,308,114**
August	381,752,972	(34,094,354)	-	**347,658,618**
September	439,691,600	(35,215,938)	-	**404,475,662**
October	481,686,412	(36,582,187)	-	**445,104,225**
November	524,445,635	(38,451,297)	-	**485,994,338**
December				

Supply Cost Variance Deferral Account
Section A: Summary
November 30, 2025

			Project Cost Recovery Rider						Load Variation				Financing Charges[1]				
	Muskrat Falls Project Cost Variance ($)	Rate Mitigation Fund[2,3] ($)	Utility[4] ($)	Industrial[5] ($)	Holyrood TGS[6] Fuel Cost Variance ($)	Other IIS[7] Supply Cost Variance ($)	Net Revenue From Exports Variance[8] ($)	Transmission Tariff Revenue Variance ($)	Utility[9] ($)	Industrial ($)	Greenhouse Gas Credit Revenue Variance[10] ($)	Subtotal Monthly Variances ($)	Utility ($)	Industrial ($)	Other ($)	Transfers ($)	Cumulative Net Balance ($) (to page 1)
Opening Balance	1,565,667,129	(575,433,434)	(118,120,018)	(3,949,867)	(169,459,883)	(74,168,156)	(125,975,029)	(44,759,484)	71,094,076	49,633,069	(55,600,303)	518,928,100	(6,870,157)	(83,286)	42,363,612	-	554,338,269
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Opening Balance	**1,565,667,129**	**(575,433,434)**	**(118,120,018)**	**(3,949,867)**	**(169,459,883)**	**(74,168,156)**	**(125,975,029)**	**(44,759,484)**	**71,094,076**	**49,633,069**	**(55,600,303)**	**518,928,100**	**(6,870,157)**	**(83,286)**	**42,363,612**	**-**	**554,338,269**
January	63,252,043	-	(7,630,010)	(541,038)	(22,981,814)	(2,129,352)	(450,605)	(1,498,023)	3,546,897	1,058,632	(77,618)	32,549,112	(484,059)	(16,187)	2,771,939	-	589,159,074
February	63,572,270	(441,000,000)	(7,843,481)	(410,521)	(15,854,148)	(2,835,601)	(346,785)	(1,498,127)	(4,782,917)	1,259,237	-	(409,740,073)	(515,327)	(18,404)	2,948,121	-	181,833,391
March	88,848,280	-	(6,828,712)	(544,039)	4,902,645	(5,435,736)	(409,673)	(1,498,023)	3,730,178	1,062,312	(184,308)	83,642,924	(547,470)	(20,086)	1,312,714	-	266,221,473
April	63,377,303	-	(6,060,778)	(424,524)	2,244,723	(558,482)	(295,801)	(1,498,023)	(386,216)	1,364,987	(576)	57,762,613	(575,454)	(22,316)	1,688,753	-	325,075,069
May	56,707,440	-	(5,176,142)	(560,378)	(5,970,598)	(1,017,946)	(343,726)	(1,498,023)	(1,301,717)	996,754	(25,351)	41,810,313	(600,291)	(24,055)	1,956,512	-	368,217,548
June	65,911,307	-	(3,538,042)	(532,034)	(3,120,731)	(1,165,181)	(6,019,721)	(1,498,023)	1,020,541	994,450	533	52,053,099	(621,503)	(26,352)	2,156,821	-	421,779,613
July	64,693,800	-	(4,773,950)	(765,258)	102,126	(1,029,689)	(397,818)	(1,498,023)	(234,927)	711,885	(18,965)	56,789,181	(636,002)	(28,532)	2,392,998	-	480,297,258
August	57,916,699	(150,000,000)	(4,775,276)	(789,648)	41,664	(1,228,914)	(348,682)	(1,498,023)	(486,056)	655,365	314	(100,512,557)	(655,566)	(31,668)	2,655,505	-	381,752,972
September	65,078,915	-	(4,772,619)	(807,641)	(2,879,139)	1,017,812	(222,257)	(1,498,023)	(10,617)	536,290	(68,527)	56,374,194	(675,135)	(34,904)	2,274,473	-	439,691,600
October	64,104,672	-	(6,179,756)	(729,993)	3,040,552	(3,724,639)	(104,992)	(1,498,023)	203,400	832,975	(15,751,252)	40,192,944	(694,694)	(38,214)	2,534,776	-	481,686,412
November	55,491,413	-	(7,597,208)	(596,816)	(2,717,830)	(3,013,686)	(182,062)	(1,498,023)	(189,002)	1,088,097	376	40,785,259	(720,018)	(41,205)	2,735,187	-	524,445,635
December																	
Year-to-Date	**708,954,142**	**(591,000,000)**	**(65,175,974)**	**(6,701,890)**	**(43,192,550)**	**(21,121,414)**	**(9,122,122)**	**(16,478,357)**	**1,109,564**	**10,560,984**	**(16,125,374)**	**(48,292,991)**	**(6,725,519)**	**(301,923)**	**25,427,799**	**-**	**(29,892,634)**
Total	**2,274,621,271**	**(1,166,433,434)**	**(183,295,992)**	**(10,651,757)**	**(212,652,433)**	**(95,289,570)**	**(135,097,151)**	**(61,237,841)**	**72,203,640**	**60,194,053**	**(71,725,677)**	**470,635,109**	**(13,595,676)**	**(385,209)**	**67,791,411**	**-**	**524,445,635**

[1] Financing charges accrued at the 2024 short-term cost of borrowing of 5.03%. In December, finance costs will be trued up to reflect the actual short-term cost of borrowing for 2025.

[2] As per Order in Council OC2024-062 dated May 7, 2024, Newfoundland and Labrador Hydro ("Hydro") has been directed by the Government of Newfoundland and Labrador ("Government") to use its own sources of rate mitigation and accordingly, transferred $441.0 million of funding to its Regulated operations. The $441.0 million includes $90.6 million of rate mitigation funding related to the retirement of the 2023 Supply Cost Variance Deferral Account of $271 million over the 2024 to 2026 period.

[3] In 2022, as part of the Government's rate mitigation plan, Hydro, the Government and the Government of Canada signed term sheets enabling access, upon commissioning of the Labrador-Island Link ("LIL"), to a $1.0 billion investment by the Government of Canada in the LIL in the form of a convertible debenture. In August 2025, funding was received by LIL (2021) Limited Partnership, and transferred to Hydro for the purpose of rate mitigation, reducing the balance in the Supply Cost Variance Deferral Account.

[4] 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.

[5] As per Order No. P.U. 7(2025), the Board approved a Project Cost Recovery Rider of 1.384 cents per kWh effective January 1, 2025 and, in Order No. P.U. 28(2025), the Board approved a Project Cost Recovery Rider of 1.652 cents per kWh effective July 1, 2025.

[6] Holyrood Thermal Generating Station ("Holyrood TGS").

[7] Island Interconnected System ("IIS").

[8] As per Order No. P.U. 21(2025), the Board approved the transfer of the $5,711,673 credit balance, as of December 31, 2023, in the Hydraulic Resources Optimization Deferral Account to the Net Revenue from Exports component within the Supply Cost Variance Deferral Account.

[9] As per Order No. P.U. 1(2025), the Board approved a wholesale rate, effective as of January 1, 2025, to be charged to Utility of 9.698 cents per kWh for winter months of December to March and 3.354 cents per kWh for the non-winter months of April to November.

[10] In October 2025, Hydro sold 211,700 Greenhouse Gas Performance Credits within the province for $15.8 million.

Supply Cost Variance Deferral Account
Section B: Utility Customer Balance
November 30, 2025

	Allocation Rural Rate Alteration[1] ($)	Financing Charges ($)	Transfers ($)	Cumulative Net Balance ($) (to page 1)
Opening Balance	(21,135,737)	(1,488,069)	-	(22,623,806)
Adjustments	-	-	-	-
Adjusted Opening Balance	**(21,135,737)**	**(1,488,069)**	**-**	**(22,623,806)**
January	(1,555,251)	(92,713)	-	(24,271,770)
February	(1,833,075)	(99,466)	-	(26,204,311)
March	(1,565,759)	(107,386)	-	(27,877,456)
April	(1,527,441)	(114,243)	-	(29,519,140)
May	(1,287,683)	(120,970)	-	(30,927,793)
June	(764,314)	(126,743)	-	(31,818,850)
July	(1,039,899)	(130,395)	-	(32,989,144)
August	(970,020)	(135,190)	-	(34,094,354)
September	(981,864)	(139,720)	-	(35,215,938)
October	(1,221,933)	(144,316)	-	(36,582,187)
November	(1,719,195)	(149,915)	-	(38,451,297)
December				
Year-to-Date	**(14,466,434)**	**(1,361,057)**	**-**	**(15,827,491)**
Total	**(35,602,171)**	**(2,849,126)**	**-**	**(38,451,297)**

[1] 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.

Supply Cost Variance Deferral Account
Section B: Industrial Customers Balance[1]
November 30, 2025

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

[1] No transactions will be applied to this balance until further approval is obtained from the Board.