Newfoundland and Labrador Hydro
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P.O. Box 12400. St. John's. NL
Canada A1B 4K7
t. 709.737.1400 I f. 709.737.1800
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August 25, 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 July 2025.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

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

Encl.

ecc:

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

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

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

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

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

Teck Resources Limited
Shawn Kinsella

Linde Canada Inc.
Sheryl E. Nisenbaum
Peter Strong

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

Supply Cost Variance Deferral Account Report (Unaudited)

July 2025

August 25, 2025

A report to the Board of Commissioners of Public Utilities

Supply Cost Variance Deferral Account
Summary
July 31, 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				
September				
October				
November				
December				

Supply Cost Variance Deferral Account
Section A: Summary
July 31, 2025

	Muskrat Falls Project Cost Variance ($)	Rate Mitigation Fund[2] ($)	Project Cost Recovery Rider: Utility[3] ($)	Project Cost Recovery Rider: Industrial[4] ($)	Holyrood TGS[5] Fuel Cost Variance ($)	Other IIS[6] Supply Cost Variance ($)	Net Revenue From Exports Variance[7] ($)	Transmission Tariff Revenue Variance ($)	Load Variation: Utility[8] ($)	Load Variation: Industrial ($)	Greenhouse Gas Credit Revenue Variance ($)	Subtotal Monthly Variances ($)	Financing Charges[1]: Utility ($)	Financing Charges[1]: Industrial ($)	Financing Charges[1]: Other ($)	Cumulative Net Balance ($)
																(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																
September																
October																
November																
December																
Year-to-Date	**466,362,443**	**(441,000,000)**	**(41,851,115)**	**(3,777,792)**	**(40,677,797)**	**(14,171,987)**	**(8,264,129)**	**(10,486,265)**	**1,591,839**	**7,448,257**	**(306,285)**	**(85,132,831)**	**(3,980,106)**	**(155,932)**	**15,227,858**	**(74,041,011)**
Total	**2,032,029,572**	**(1,016,433,434)**	**(159,971,133)**	**(7,727,659)**	**(210,137,680)**	**(88,340,143)**	**(134,239,158)**	**(55,245,749)**	**72,685,915**	**57,081,326**	**(55,906,588)**	**433,795,269**	**(10,850,263)**	**(239,218)**	**57,591,470**	**480,297,258**

[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 has been directed by the Government of Newfoundland and Labrador to use its own sources of rate mitigation and accordingly, transfered $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] 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.

[4] 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.

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

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

[7] 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.

[8] 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.

Supply Cost Variance Deferral Account
Section B: Utility Customer Balance
July 31, 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			-	
September			-	
October			-	
November			-	
December			-	
Year-to-Date	**(9,573,422)**	**(791,916)**	**-**	**(10,365,338)**
Total	**(30,709,159)**	**(2,279,985)**	**-**	**(32,989,144)**

[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]
July 31, 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.