Newfoundland and Labrador Hydro
Hydro Place. 500 Columbus Drive
P.O. Box 12400. St. John's. NL
Canada A1B 4K7
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nlhydro.com

June 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 May 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
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)

May 2025

June 25, 2025

A report to the Board of Commissioners of Public Utilities

Supply Cost Variance Deferral Account
Summary
May 31, 2025

	Supply Cost Variance Deferral Account Balance ($)	Utility Balance ($)	Industrial Balance ($)	Total to Date ($)
	(from page 2)	(from page 3)	(from page 4)	
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				
July				
August				
September				
October				
November				
December				

Supply Cost Variance Deferral Account
Section A: Summary
May 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 ($)	Transmission Tariff Revenue Variance ($)	Load Variation: Utility[7] ($)	Load Variation: Industrial ($)	Greenhouse Gas Credit Revenue Variance ($)	Subtotal Monthly Variances ($)	Financing Charges[1]: Utility ($)	Financing Charges[1]: Industrial ($)	Financing Charges[1]: 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																-	
July																-	
August																-	
September																-	
October																-	
November																-	
December																-	
Year-to-Date	**335,757,336**	**(441,000,000)**	**(33,539,123)**	**(2,480,500)**	**(37,659,192)**	**(11,977,117)**	**(1,846,590)**	**(7,490,219)**	**806,225**	**5,741,922**	**(287,853)**	**(193,975,111)**	**(2,722,601)**	**(101,048)**	**10,678,039**	**-**	**(186,120,721)**
Total	**1,901,424,465**	**(1,016,433,434)**	**(151,659,141)**	**(6,430,367)**	**(207,119,075)**	**(86,145,273)**	**(127,821,619)**	**(52,249,703)**	**71,900,301**	**55,374,991**	**(55,888,156)**	**324,952,989**	**(9,592,758)**	**(184,334)**	**53,041,651**	**-**	**368,217,548**

[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 ("Government") 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. 15(2024), the Board of Commissioners of Public Utilities ("Board") approved a Project Cost Recovery Rider of 1.124 cents per kWh effective August 1, 2024.

[4] As per Order No. P.U. 7(2025), the Board approved a Project Cost Recovery Rider of 1.384 cents per kWh that became effective as of January 1, 2025.

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

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

[7] 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
May 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			-	
July			-	
August			-	
September			-	
October			-	
November			-	
December			-	
Year-to-Date	**(7,769,209)**	**(534,778)**	**-**	**(8,303,987)**
Total	**(28,904,946)**	**(2,022,847)**	**-**	**(30,927,793)**

[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]
May 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.