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October 23, 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 September 2025.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

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

Encl.

ecc:

Board of Commissioners of Public Utilities
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Board General

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Newfoundland Power Inc.
Dominic J. Foley
Douglas W. Wright
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Supply Cost Variance Deferral Account Report (Unaudited)

September 2025

October 23, 2025

A report to the Board of Commissioners of Public Utilities



**Supply Cost Variance Deferral Account
Summary
September 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				
November				
December				

Supply Cost Variance Deferral Account																
Section A: Summary																
September 30, 2025																
	Project Cost Recovery Rider				Load Variation				Financing Charges ¹				Transfers (\$)	Cumulative Net Balance (\$)		
	Muskat Falls Project Cost Variance (\$)	Rate Mitigation Fund ^{2,3} (\$)	Utility ⁴ (\$)	Industrial ⁵ (\$)	Hollyrood 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 (\$)	Subtotal Monthly Variances (\$)			Utility (\$)	Industrial (\$)
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	-
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	-
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	-
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	-
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	-
April	63,377,303	-	(6,060,778)	(424,524)	2,244,723	(5,584,882)	(295,801)	(1,498,023)	(386,216)	1,364,987	(576)	57,762,613	(575,454)	(22,316)	1,688,753	-
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	-
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	-
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)	(28,332)	2,392,998	-
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	-
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	-
October	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Year-to-Date	589,358,057	(591,000,000)	(51,399,010)	(5,375,081)	(43,515,272)	(14,383,089)	(8,835,068)	(13,482,311)	1,095,166	8,639,912	(374,498)	(129,271,194)	(5,310,807)	(222,504)	20,157,836	-
Total	2,155,025,186	(1,166,433,434)	(169,519,028)	(9,324,948)	(212,975,155)	(88,551,245)	(134,810,097)	(58,241,795)	72,189,242	58,272,981	(55,974,801)	389,656,906	(12,180,964)	(305,790)	62,521,448	-
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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. 21(2025), the Board of Commissioners of Public Utilities ("Board") approved a Project Cost Recovery Rider of 1.652 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 Hollyrood Thermal Generating Station ("Hollyrood TGS").

⁷ Island Interconnected System ("IS").

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.

Supply Cost Variance Deferral Account
Section B: Utility Customer Balance
September 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	-	-	-	-
November	-	-	-	-
December	-	-	-	-
Year-to-Date	(11,525,306)	(1,066,826)	-	(12,592,132)
Total	(32,661,043)	(2,554,895)	-	(35,215,938)

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 Balance¹
September 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	-	-	-

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