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September 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: Mike McNiven
Senior Regulatory Advisor & 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 August 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.kd

Encl.

ecc:

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Supply Cost Variance Deferral Account Report (Unaudited)

September 25, 2026

A report to the Board of Commissioners of Public Utilities



Supply Cost Variance Deferral Account^{1,2,3}
Summary
August 31, 2026

	Supply Cost Variance Deferral Account Balance (\$)	Utility Balance (\$)	Industrial Balance (\$)	Total to Date (\$)
	(from page 2)	(from page 3)	(from page 4)	
Opening Balance	390,740,090	(40,366,584)	-	350,373,506
Adjustment ⁴	-	-	(51,816)	(51,816)
Adjusted Opening Balance	390,740,090	(40,366,584)	(51,816)	350,321,690
January	422,656,688	(42,965,784)	(51,958)	379,638,946
February	457,801,440	(45,034,736)	(52,101)	412,714,603
March ⁵	143,623,434	(47,364,302)	(25,322)	96,233,810
April	193,659,624	(49,681,282)	(25,392)	143,952,950
May ⁶	245,671,127	(6,486,607)	(25,462)	239,159,058
June ⁷	296,250,902	(9,242,478)	(25,532)	286,982,892
July	353,042,842	(10,423,222)	(25,602)	342,594,018
August	259,412,017	(11,569,430)	(25,672)	247,816,915
September				
October				
November				
December				

¹ Numbers may not add throughout the report due to rounding.

² 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.

³ Balances reported may change in a subsequent month due to receipt of final invoice.

⁴ The transfer of the December 2025 RSP Island Industrial Customers ("IIC") balance to the Supply Cost Variance Deferral Account ("SCVDA") was approved in the Board of Commissioners of Public Utilities ("Board") Order No. P. U. 3(2026).

⁵ March activity includes transfers from the 2025 Return on Equity Rate Change Deferral Account balance for Newfoundland Power Inc. ("Newfoundland Power") and IIC as per Board Order No. P. U. 10(2025). Please refer to pages 3 and 4 for additional details.

⁶ May Utility Balance activity includes a \$45 million transfer as per Board Order No. P. U. 15(2026). Please refer to page 3 for additional details.

⁷ June Utility Balance activity includes a transfer as per Board Order No. P. U. 15(2026). Please refer to page 3 for additional details.

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

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

	Project Cost Recovery Rider				Load Variation				Financing Charges ¹				Cumulative Net Balance (\$)				
	Muskkrat Falls Project Cost Variance (\$)	Rate Mitigation Fund ^{2,3} (\$)	Project Cost Recovery Rider		Load Variation		Financing Charges ¹										
			Utility ⁴ (\$)	Industrial ⁵ (\$)	Net Revenue From Exports Variance (\$)	Transmission Tariff Revenue Variance (\$)	Utility ⁸ (\$)	Industrial (\$)	Greenhouse Gas Credit Revenue Variance (\$)	Subtotal Monthly Variance (\$)	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
Adjusted 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
January	64,905,706	-	(10,895,187)	(873,993)	(27,432,786)	6,763,877	(391,142)	(1,498,023)	(318,080)	571,850	9,959	30,842,181	(532,239)	(31,838)	1,638,094	-	422,656,688
February	64,450,247	-	(9,467,169)	(897,630)	(17,022,931)	(3,758,973)	(447,275)	(1,498,023)	2,329,128	294,899	301	33,982,574	(562,198)	(34,242)	1,798,618	-	457,801,440
March	59,811,131	(350,300,000)	(10,220,627)	(1,090,712)	(3,835,182)	(5,336,924)	(237,635)	(1,498,023)	(2,733,269)	35,203	(30,784)	(315,436,822)	(588,229)	(36,710)	1,883,755	-	143,623,434
April	64,804,598	-	(8,670,368)	(976,952)	(1,362,040)	(1,013,924)	(327,784)	(1,498,023)	(1,483,274)	244,169	(75,133)	49,641,269	(616,333)	(39,709)	1,050,983	-	193,659,624
May	65,157,980	-	(6,643,735)	(984,266)	(4,269,326)	404,636	(332,047)	(1,498,023)	(554,788)	292,029	(93,463)	51,478,997	(640,174)	(42,395)	1,215,075	-	245,671,127
June	60,838,513	-	(5,548,874)	(847,208)	(2,923,588)	231,865	(196,268)	(1,498,023)	(698,327)	546,832	1,331	49,904,253	(658,442)	(45,102)	1,379,066	-	296,250,902
July	65,693,554	-	(6,735,612)	(1,069,055)	(118,842)	(120,782)	(306,796)	(1,498,023)	(249,458)	380,698	1,655	55,977,339	(673,700)	(47,431)	1,535,732	-	353,042,842
August	65,664,233	(150,000,000)	(6,694,198)	(1,058,580)	(121,055)	(549,523)	(243,797)	(1,498,023)	(432,626)	412,897	(80,914)	(94,601,586)	(692,221)	(50,371)	1,713,353	-	259,412,017
September																	
October																	
November																	
December																	
Year-to-Date	511,325,962	(500,300,000)	(64,875,770)	(7,798,396)	(57,085,750)	(3,379,748)	(2,484,744)	(11,984,184)	(4,140,694)	2,778,577	(267,048)	(138,211,795)	(4,963,536)	(327,798)	12,175,056	-	(131,328,073)
Total	2,849,661,858	(1,780,133,434)	(258,438,469)	(19,377,301)	(281,287,274)	(103,726,185)	(186,659,665)	(74,720,048)	66,790,240	63,312,577	(71,992,314)	203,429,985	(16,850,598)	(642,959)	73,475,389	-	259,412,017

¹ Financing charges accrued at the 2025 short-term cost of borrowing of 3.35% for the period January to August 2026. In December, the interest expense will be trueed up to reflect the short-term interest rate for 2026.

² As per Order in Council OC/2024-662 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, in March 2026, transferred \$350.3 million of funding to its Regulated operations. The \$350.3 million includes \$90.6 million of rate mitigation funding related to the rate of return on the 2025 ODA of \$25 million over the 2024-2026 period.

³ In 2023, the Government of Newfoundland and Labrador ("Government") transferred \$100 million to the Government of Newfoundland and Labrador ("Government") to use its own sources of rate mitigation and, accordingly, in March 2026, transferred \$350.3 million of funding to its Regulated operations. The \$350.3 million includes \$90.6 million of rate mitigation funding related to the rate of return on the 2025 ODA of \$25 million over the 2024-2026 period.

⁴ As per Board Order No. P.U. 21(2025), the Board approved a Project Cost Recovery Rider of 1.516 cents per kWh effective July 1, 2025, and in Board Order No. P.U. 15(2026), the Board approved a Project Cost Recovery Rider of 2.136 cents per kWh effective July 1, 2026.

⁵ As per Board Order No. P.U. 3(2026), the Board approved a Project Cost Recovery Rider of 1.745 cents per kWh effective January 1, 2026, and in Board Order No. P.U. 17(2026), the Board approved a Project Cost Recovery Rider of 1.987 cents per kWh effective July 1, 2026.

⁶ Holymood Thermal Generating Station ("Holymood TGS").

⁷ Island Interconnected System ("IIS").

⁸ As per Board Order No. P.U. 1(2025), the Board approved a wholesale rate, effective as of January 1, 2025, to be charged to Utility of 9.688 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.

⁹ Balance previously reported charged due to the receipt of the final invoice.

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

	Allocation Rural Rate Alteration ¹ (\$)	Financing Charges ² (\$)	Adjustment ³ (\$)	Transfers ^{4,5} (\$)	Cumulative Net Balance (\$) (to page 1)
Opening Balance	(37,866,434)	(2,500,150)	-	-	(40,366,584)
Adjustments	-	-	-	-	-
Adjusted Opening Balance	(37,866,434)	(2,500,150)	-	-	(40,366,584)
January	(2,488,204)	(110,996)	-	-	(42,965,784)
February	(1,950,809)	(118,143)	-	-	(45,034,736)
March	(2,614,154)	(123,832)	-	408,420	(47,364,302)
April ⁶	(2,186,742)	(130,238)	-	-	(49,681,282)
May	(1,703,452)	(136,609)	45,034,736	-	(6,486,607)
June	(1,501,027)	(17,836)	-	(1,237,008)	(9,242,478)
July	(1,155,330)	(25,414)	-	-	(10,423,222)
August	(1,117,547)	(28,661)	-	-	(11,569,430)
September					
October					
November					
December					
Year-to-Date	(14,717,265)	(691,729)	45,034,736	(828,588)	28,797,154
Total	(52,583,699)	(3,191,879)	45,034,736	(828,588)	(11,569,430)

¹ The Rural Rate Alteration ("RRA") 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). Ongoing transactions posted to the Utility's Customer Balance include Newfoundland Power's allocation of RRA and associated interest. Disposition is subject to approval from the Board.

² Financing charges accrued at the 2025 short-term cost of borrowing of 3.35% until December, at which time the interest expense will be trueed up to reflect the short-term interest rate for 2026.

³ Transfer of \$45 million to Newfoundland Power was approved in Board Order No. P.U. 15(2026).

⁴ The transfer of the December 2025 Return on Equity Rate Change Deferral Account balance attributable to Newfoundland Power to the Utility Customer Balance in the SCVDA for disposition was approved in Board Order No. P.U. 10(2025).

⁵ The transfer of the June 2026 Rate Stabilization Plan ("RSP") Utility Customer Balance to the Utility Customer Balance in the SCVDA was approved in Board Order No. P.U. 15(2026). The transfer does not include the approximately \$6.1 million proposed to be collected in the RSP Current Plan Adjustment.

⁶ Balance previously reported changed to reflect a correction to the April balance.

Supply Cost Variance Deferral Account
Section B: Industrial Customers Balance
August 31, 2026

	Financing Charges (\$)	Transfers ^{1,2} (\$)	Cumulative Net Balance (\$) (to page 1)
Opening Balance	-	-	-
Adjustments	-	(51,816)	(51,816)
Adjusted Opening Balance	-	(51,816)	(51,816)
January	(142)	-	(51,958)
February	(143)	-	(52,101)
March	(143)	26,922	(25,322)
April	(70)	-	(25,392)
May	(70)	-	(25,462)
June	(70)	-	(25,532)
July	(70)	-	(25,602)
August	(70)	-	(25,672)
September			
October			
November			
December			
Year-to-Date	(778)	26,922	26,144
Total	(778)	(24,894)	(25,672)

¹ The transfer of the December 2025 RSP IIC balance to the SCVDA was approved in Board Order No. P.U. 3(2026).

² The transfer of the December 2025 Return on Equity Rate Change Deferral Account balance attributable to IIC to the Industrial Customers Balance in the SCVDA for disposition was approved in Board Order No. P.U. 10(2025).