



Newfoundland and Labrador Hydro
Hydro Place, 500 Columbus Drive
P.O. Box 12400, St. John's, NL
Canada A1B 4K7
t. 709.737.1400 | f. 709.737.1800
nlhydro.com

March 24, 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
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 February 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

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
Peter Strong

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

Consumer Advocate
Adrienne H.Y. Ding, O'Dea Earle
Justin W. King, O'Dea Earle

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)

March 24, 2026

A report to the Board of Commissioners of Public Utilities



**Supply Cost Variance Deferral Account
Summary
February 28, 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 ¹	-	-	(51,816)	(51,816)
Adjusted Opening Balance	390,740,090	(40,366,584)	(51,816)	350,321,690
January ²	422,656,688	(42,965,784)	(51,958)	379,638,946
February	457,801,440	(45,034,736)	(52,101)	412,714,603
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

¹ The transfer of the December 2025 RSP Island Industrial Customers balance to the Supply Cost Variance Deferral Account was approved in Board Order No. P. U. 3(2026).

² January 2026 was updated to reflect the new terms under the Corner Brook Pulp and Paper Limited Power Purchase Agreement for purchases through June 2026.

Supply Cost Variance Deferral Account Report for February 2026 (Unaudited)

**Supply Cost Variance Deferral Account
Section A - Summary
February 28, 2026**

	Project Cost Recovery Rider			Load Variation			Financing Charges ¹				Cumulative Net Balance (to page 1)					
	Muskat Falls Project Cost Variance (\$)	Rate Mitigation Fund (\$)	Rate (\$)	Utility ² (\$)	Industrial ³ (\$)	Holyrood TGS ⁴ Fuel Cost Variance (\$)	Other (IS) ^{5,6} Supply Cost Variance (\$)	Net Revenue From Exports Variance (\$)	Transmission Tariff Revenue Variance (\$)	Greenhouse Gas Credit Revenue Variance (\$)		Subtotal Monthly Variances (\$)	Utility (\$)	Industrial (\$)	Other (\$)	Transfers (\$)
Opening Balance	2,338,335,896	(1,279,833,434)	(193,562,699)	(11,578,905)	(224,201,524)	(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
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Opening Balance	2,338,335,896	(1,279,833,434)	(193,562,699)	(11,578,905)	(224,201,524)	(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)	(391,142)	(1,498,023)	(318,080)	571,850	9,959	30,842,181	(532,239)	(31,838)	1,638,494	-	422,656,688
February	64,450,247	-	(9,467,169)	(897,630)	(17,022,931)	(447,275)	(1,498,023)	2,329,128	294,899	301	33,982,574	(562,198)	(34,242)	1,758,618	-	457,801,440
March																
April																
May																
June																
July																
August																
September																
October																
November																
December																
Year-to-Date	129,355,953	-	(20,362,356)	(1,771,623)	(44,455,717)	(838,417)	(2,996,046)	2,011,048	866,749	10,260	64,824,755	(1,094,437)	(66,080)	3,397,112	-	67,061,350
Total	2,467,691,849	(1,279,833,434)	(213,925,055)	(13,350,528)	(268,657,241)	(185,013,338)	(65,731,910)	72,941,982	61,400,749	(71,715,006)	406,466,535	(12,981,299)	(381,241)	64,697,445	-	457,801,440

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

² 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.

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

⁴ Holyrood Thermal Generating Station ("Holyrood TGS").

⁵ Island Interconnected System ("IS").

⁶ January 2026 was updated to reflect the new terms under the Corner Brook Pulp and Paper Limited Power Purchase Agreement for purchases through June 2026.

Supply Cost Variance Deferral Account
Section B: Utility Customer Balance
February 28, 2026

	Allocation Rural Rate Alteration ¹ (\$)	Financing Charges ² (\$)	Transfers (\$)	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				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Year-to-Date	(4,439,013)	(229,139)	-	(4,668,152)
Total	(42,305,447)	(2,729,289)	-	(45,034,736)

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.

² Financing charges accrued at the 2025 short-term cost of borrowing of 3.35% for the period January to February 2026. In December, the interest expense will be trued up to reflect the short-term interest rate for 2026.

Supply Cost Variance Deferral Account
Section B: Industrial Customers Balance
February 28, 2026

	Financing Charges (\$)	Transfers ¹ (\$)	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			
April			
May			
June			
July			
August			
September			
October			
November			
December			
Year-to-Date	(285)	-	(285)
Total	(285)	-	(52,101)

¹The transfer of the December 2025 RSP Island Industrial Customers balance to the Supply Cost Variance Deferral Account was approved in Board Order No. P. U. 3(2026).